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| Austria . . Sch. 15 | Indonesia . . Rp 2500 | Portugal . . . Esc 65 |
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| Belgium . . . BFr 35 | Japan . . . . Y550 | Singapore . S$ 4.10 |
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| Egypt . . . . £E1.00 | Luxembourg . . LFr 35 | Switzerland . SwFr 2 |
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# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,186

Friday December 2 1983

D 8523 B

**EEC summit foresees cash crisis, Page 18**

# NEWS SUMMARY

## GENERAL

## Druze leader killed in Beirut

Efforts to reopen Beirut International Airport, closed for the second consecutive day, suffered a serious setback yesterday with the assassination of the Druze community's most senior religious judge.

Sheikh Halim Takieddine, the highest religious Druze authority in Lebanon, was shot by a visitor in his West Beirut home. The army immediately extended an evening curfew by three hours. The airport has been closed as a result of shelling by the Druze Progressive Socialist Party. Page 7

### Soviet parliament

The Soviet leadership announced parliament would reconvene on December 28, but gave no indication of whether President Yuri Andropov would attend. Page 20

### New ambassador

Former UN president Baron Rüdiger von Wechmar is to be the new West German Ambassador to London.

### Nato objects

Nato governments are objecting strongly to U.S. attempts to introduce high-technology weapons into Europe. Page 2

### 'Victory for peace'

The Danish minority government will refuse to accept responsibility for the deployment of new Nato intermediate missiles after being defeated on the issue in parliament.

### Apartheid statement

Severing economic links with South Africa was not the way to fight apartheid, West German Foreign Minister Hans-Dietrich Genscher said in a Bundestag debate.

### Ambrosiano arrests

Milan police arrested former Banco Ambrosiano vice-president Roberto Rosone and five others on charges connected with the collapse of the bank last year. Page 20

### Cosmic holography

Soviet cosmonauts used holography extensively in experiments aboard the space station Salyut-7, Moscow newspaper Pravda said.

### Bengali violence

Two people died and 54 were injured in clashes between rival political parties in West Bengal, India, *on the third day of violence.*

### Vatican guidelines

The Vatican issued sex education guidelines for the first time, defining extra-marital sex and homosexuality as moral disorders.

### Cyprus talks

Greek Premier Dr Andreas Papandreou will meet British Prime Minister Mrs Margaret Thatcher for separate talks on Cyprus during the EEC summit meeting in Athens. Page 18

### Corsica bank bomb

Corsican police arrested a man after a bomb exploded in a Bank of France branch in Bastia, a few hours before French Interior Minister Gaston Defferre arrived on an official visit.

### Dutch kidnap arrest

Dutch police said they arrested another member of the Heineken kidnap gang but were still hunting three men and about $9m ransom money.

## BUSINESS

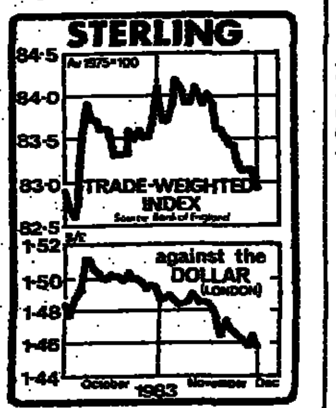
## BP profits up by £111m

● BRITISH PETROLEUM Company announced third quarter net profits up by £111m from £213m ($310.98m) to £324, an improvement which pushed the figures for the nine months to September up £153m to £617m. Page 24

● LONDON: FT Industrial Ordinary index lost 5 points to 741.1. Government securities improved slightly. Report, Page 33. FT Share *Information Service, Pages 38–39*

● TOKYO: Nikkei Dow index rose 16.36 to 9336.6 and the Stock Exchange index gained 1.37 to 689.21. Report, Page 33. Leading prices, Page 36.

● WALL STREET: Dow Jones industrial average closed 0.92 down at 1,275.10. Report, Page 33. Full share listings, Pages 34–36.




● STERLING lost ground, mostly during the last half hour of trading, closing down 55 points at $1.4575 ($1.463), and at DM 3.9425 (DM 3.9525), SwFr 3.155 (SwFr 3.1675), FFr 11.975 (FFr 12.005) and Y339.25 (Y340.5). Its Bank of England trade-weighted index was 82.9 (83.1). In New York it closed at $1.4555. Page 43

● DOLLAR closed up in London at DM 2.703 (DM 2.7), FFr 8.2175 (FFr 8.2075) and was unchanged at SwFr 2.164 and Y232.55. Its Bank of England trade-weighted index was 128.4 (128.2). In New York it closed at DM 2.705; FFr 8.2175; SwFr 2.165 and Y232.95. Page 43

● GOLD fell $5.625 to close in London at $397.875. In Frankfurt it dropped to $400.83 from $406.49 and in Zurich it closed down at $398.75 ($402.875). In New York the Comex December settlement price was $401.2 ($403.0). Page 42

● YUGOSLAVIA has repaid a $500m loan to the Bank for International Settlements, BIS officials said.

● SPAIN raised petrol prices by 8 per cent.

● COURTAULDS, largest British textile company, has bid on a £12m ($17.52m) project to modernise an East German viscose fibre plant.

● CANADA'S National Bank completed its rationalisation programme and announced fourth quarter profits of C$27.3m ($15.17m).

● PHILIP MORRIS, world's second largest tobacco group, elected Hamish Maxwell, president of Philip Morris International, as its next chairman and chief executive.

● PRATT & WHITNEY, U.S. aero-engine maker, won a $120m contract from Northwest Airlines at the expense of Rolls-Royce of the UK. Page 10

● DRESDNER BANK of West Germany is to boost its 1983 dividend and strengthen reserves. Page 21

● AMERICAN EXPRESS International Corporation agreed a $100m loan for the Philippines' first nuclear plant.

● QANTAS, national airline of Australia, announced an operating loss of A$47.8m ($43.8m) for 1982–83.

# Brussels in farm prices warning ahead of summit

BY JOHN WYLES IN BRUSSELS

**The European Community's 8m farmers will probably have to go without any general price increases next year as part of a radical cost-cutting campaign to keep the Common Agricultural Policy within its budget, European heads of government will be warned this weekend.**

In an attempt to force the EEC summit, which begins in Athens on Sunday, to face up to the need for difficult economies in the CAP, the European Commission is preparing some dire predictions about the budgetary outlook for 1984.

These will be given to heads of government by M Gaston Thorn, the Commission's President, who has been warned of "severe budgetary difficulty" ahead by his colleague, the Agriculture Commissioner, Mr Poul Dalsager.

Some Ecu 16.5bn ($13.8bn) has been earmarked for agriculture in the draft 1984 budget. No more money can be given to the CAP because virtually all revenue available within the EEC's budget ceiling will be spent next year.

*However, unofficial calculations* point to a probable expenditure next year of a least Ecu 18bn because:

● The original Ecu 16.5bn assumed the full implementation of the Commission's proposed economies package from January 1.

Whatever is decided, the summit's economies will be worth considerably less than the Ecu 2bn the Commission was looking to save next year. The only major economy expected from the Athens meeting is in the dairy sector and the saving *could fall well short of the Ecu 1.3bn* the Commission was seeking.

● World cereal prices are lower than budgeted for, which will increase the costs of export subsidies. Butter stocks, meanwhile, are still at a record 883,000 tonnes which means that large quantities will have to be exported next year to make room for surplus production in 1984. Spending on beef will also be higher than expected.

*Even if all of the Commission's* savings were to be endorsed by March, these additional costs would rule out a price rise for farmers next year. Limited increases for selected products might just be possible, according to Mr Dalsager, if they were financed through still more economies.

This extremely gloomy outlook for the EEC budget is an additional pressure on the EEC heads of government to reach agreement. Essentially, the eight member states with the largest farm sectors have to trade CAP reforms in the coming months with tighter controls on EEC spending, in return for British and West German agreement to raise the ceiling on the Community's budget income as soon as possible.

The additional price which all have to pay to the UK is a permanent arrangement cutting Britain's payments to the EEC budget. If little progress is made, farmers *would be bound to protest about the* uncertainties in the year ahead.

**Fabelta subsidisation must stop; Fireworks from French farmers, Page 3; Cash crisis in Athens, Page 18**

# French Socialists reprimand coalition partners

By Paul Betts in Paris

FRANCE'S ruling Socialist Party yesterday urged its Communist partners to commit themselves more convincingly to President François Mitterrand's policies.

M Lionel Jospin, the party first secretary, voicing the Socialists' growing annoyance at what they regard as the Communist Party's two-faced approach to the coalition, claimed the Communists' ambiguous attitude towards the Government was playing into the hands of the opposition and damaging the credibility of the left and of President Mitterrand.

The call – one of the strongest public reprimands of the Communists since the left came to power in 1981 – was made at a summit meeting called to ease tensions between the two governing coalition partners.

M Georges Marchais, the Communist Party secretary general, was equally critical of the Socialists, claiming many of the coalition agreements of June 1981 remained to be implemented.

*Despite these criticisms, the two* left-wing parties appeared intent last night on avoiding an open split which would be politically damaging to both at this stage.

The meeting was the fourth summit between the parties since their 1981 pact, which has formed the basis of the coalition Government. Relations between the two parties, however, have been increasingly strained, with rifts opening up on key foreign policy and economic issues.

M Marchais renewed his party's criticisms of the Government's tough economic policies and the Communists' opposition to wage restraints. On defence, he again renewed his party's position in favour of counting France's nuclear deterrant in the now suspended U.S.-Soviet nuclear arms talks in Geneva.

M Jospin replied that the Government's austerity programme was France's only economic alternative, urging the Communists to show greater support for the administration's economic policies.

He also repeated President Mitterrand's firm position on the exclusion of the French nuclear force in the Geneva count and called on the communists to clarify their position on Poland and Afghanistan.

M Marchais made a number of conciliatory gestures towards the Socialists by saying his party supported President Mitterrand's policies in Chad and Lebanon.

# Spain budgets $6bn to aid ailing industry

BY DAVID WHITE IN MADRID

SPAIN'S Socialist Government will spend $6bn to restructure and develop ailing industries over the next three years and has indicated that up to 60,000 jobs might be at stake. That is over 2 per cent of the country's industrial workforce.

Sectors due for drastic cutbacks include the state-owned steel mills and shipyards, which have been losing heavily and have not reduced capacity as have other European producers.

Outlining the industrial reconversion law, which is being pushed through by decree, Sr Carlos Solchaga, the Industry Minister said that 30,500 jobs were to go in heavy steel, special steel, shipbuilding and household electricals and that those represented 50 to 70 per cent of the total due for the axe.

Other industries due for surgery include textiles and shoes.

The planned cutbacks cast a cloud over the Government's promise in its election programme last year to create 800,000 jobs by the end of 1986.

The cost of the programme was *put at between Pta 900bn ($5.79bn)* and Pta 1000bn. Roughly half, Pta 450bn, would go on new fixed investments and a further Pta 350bn would be spent on restructuring companies' capital. Labour measures over the three years were expected to cost Pta 70bn.

The funds are to come principally from the state directly or through its industrial holding company INI and the Industrial Credit Bank. The contribution from the national budget would be Pta 150bn in the form of subsidies and participative credits – an instrument new to Spain and based on the French model. Private credits are to account for Pta 100bn.

The decree measure came after failure to reach consensus in talks with companies and unions. However, the Government dropped a plan under which the companies involved would come under 50 per cent or more control by the state, after that was rejected by the CEOE employers federation as excessive state intervention.

However, under the decree, the state would participate in the management of newly constituted "companies in reconversion" and would have to approve their statutes.

A further decree is now due to be brought out on labour proposals in*cluding early retirement at 60 and* extension of the period of unemployment benefits from 18 months to three years and in some cases five years. The proposals have been described by unions as inadequate.

# Receiver orders Wibau to file for bankruptcy

BY JONATHAN CARR IN FRANKFURT

WIBAU, the West German building equipment concern in which the troubled IBH holding of Mainz has a minority stake, has filed for bankruptcy on orders of a court-appointed receiver examining the company's tangled affairs.

The receiver, Herr Wilhelm Schaaf, told a press conference yesterday that key figures appeared wrongly in Wibau's books and that the company's losses exceeded its turnover.

In particular, he said, Wibau's real sales last year were worth DM 128m, not DM 178m ($65.9m) as the company had recorded. The other DM 50m existed only on paper.

Herr Schaaf has been trying for the last three weeks to find a basis for a settlement between Wibau and its creditors so that the company – or at least part of it – could stay in business.

But he made clear yesterday that in view of what he had found out about Wibau's affairs, which he bluntly called as difficult "as a Scottish sword dance," he had no option but to call off the rescue effort.

Even as Herr Schaaf was speaking, it was announced that the state prosecutor's office in Hanau had opened investigations into the former chief executive of Wibau, Herr Roland Spicka.

Herr Spicka stepped down shortly after Wibau turned to the courts on November 9 because of its payments difficulties. The company said it was basically sound, but that it had been caught in the backwash of IBH's financial problems.

IBH holds a 36.5 per cent stake in Wibau, and the former IBH chief executive, Herr Horst-Dieter Esch, headed Wibau's supervisory board. Herr Esch stepped down from both jobs last week.

IBH itself ran into difficulties after borrowing heavily from Schröder, Münchmeyer, Hengst (SMH), the private bank narrowly saved from collapse last month. SMH used to own Wibau, but sold its stake to Herr Esch in 1980, simultaneously obtaining a share in IBH.

Wibau, which so far has employed 1,200 workers in the small town of Gründau in Hesse, has a specialist importance out of proportion to its size.

It is understood to dominate world markets in asphalt-mixing plant.

Explaining some of the discrepancies he had found, Herr Schaaf *said that although the Middle East* market for some of Wibau's products collapsed, the company went on making them just the same.

Bills were composed for alleged Arab buyers, sums booked in apparent payment – and the Wibau machines went into store in Germany.

# Nicaraguan rebels move on ceasefire

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE REAGAN Administration yesterday announced that the three right-wing rebel groups it is supporting against the Nicaraguan Sandinista Government would suspend military operations and open negotiations if the Government took "credible steps," towards democracy.

The rebel offer, which was promptly endorsed by President Ronald Reagan, emerged from talks between the leaders of the three groups and Mr Richard Stone, Mr Reagan's special Central American envoy, in Panama City.

The move, clearly inspired by Washington, came as the Sandinista Government in Managua was reported to be preparing further con*ciliatory* steps, including an amnesty for prisoners jailed for crimes against the state and rebels who laid down their arms.

Two of the rival rebel groups are based in Honduras and one in Costa Rica. One of the main aims of the Panama meeting had been to try to end the often bitter differences that have divided them in the past.

A senior administration official said Mr Stone "believes that the anti-Sandinistas will be prepared to end their military activities if a democratic electoral competition were part of a political solution to the conflict within Nicaragua."

He confirmed reports that some members of the Reagan Administration felt that the rebels could not achieve their goal of toppling the Government, but said that the offer did not stem from that belief. In any case, Mr Reagan was not trying to overthrow the *Sandinistas*, he said.

The move nonetheless follows a

**Continued on Page 20**

# Dome seeks revised debt repayment

BY NICHOLAS HIRST IN CALGARY

DOME PETROLEUM, the troubled Calgary-based oil and gas group, intends to raise C$700m (U.S.$565m) in an underwritten issue of equity-related securities next year. It has asked its bankers to extend repayment of C$2.2bn of debt due by the end of the year.

The plan follows speculation in recent months that Dome could improve on the terms of an agreement in principle with its four main Canadian lenders and the Canadian Federal Government reached in September last year.

Dome has asked the Government and the Canadian banks to keep that agreement in place while discussions continue on the new plan.

Under the original agreement the Canadian banks and the Government would each have provided C$500m in convertible debentures and would extend loans over ten years, leaving the two groups in effective control of the company.

There have been doubts that Dome could replace that money with a public issue.

The plan involves asking Dome's more than 50 lenders to extend re*payment times, simplify the cove*nant structure, provide options of fixing interest rates and U.S.$200m of a new unsecured standby credit.

Dome's U.S. lenders, led by Citibank with a U.S.$1.8bn syndicated loan, have in the past raised objections to altering the security of their debt.

Dome Mines, an affiliate of Dome Petroleum, is prepared to buy C$200m of the proposed C$700m eq*uity related issue, the details and* timing of which have not yet been decided.

Dome, which has reduced its debt from a peak of C$7.1bn in April 1982, to C$6.2bn, intends to sell assets to reduce its debt further to C$5.7bn.

# Gulf Oil plan faces close vote

By William Hall in New York

SEVERAL LARGE institutional shareholders in Gulf Oil are supporting the dissident shareholder *group led by Mesa Petroleum and* opposing the oil company's plans to reincorporate itself in Delaware.

The result of today's vote by Gulf shareholders over the company's plans for a move which will help to protect it from dissident shareholder actions is not expected for at least a fortnight as the proxy votes will take some time to count.

As the battle between Gulf and Mr T. Boone Pickens' Mesa Petroleum, which controls 12 per cent of Gulf, has raged, shareholders have been bombarded with proxy cards and many have voted more than once further complicating the counting.

Gulf, which needs to win slightly

**Continued on Page 20**

CONTENTS

# Norway may abolish ban on bank subsidiaries

By Fay Gjester in Oslo

THE BAN on foreign banks establishing subsidiaries in Norway could be abolished soon. A report recommending this has been tabled by the standing committee on finance of the Storting (Parliament) and is virtually certain to be approved later this month.

The move, proposed by the centre-right coalition government, has the backing of four of the seven parliamentary parties—the three coalition members (Conservatives, Christian Democrats and Centre), plus the far-right Progress Party.

These parties command 83 seats in the 155 member legislature. Parties opposing the change are Labour, the Socialist Left Party and the tiny Liberal Party.

The finance committee agrees with the Government that the ban should be lifted gradually.

Kevin Done reports from Stockholm: The Riksbank, the Swedish central bank, cautiously eased its credit policy yesterday by lowering both the penalty rate governing short-term bank borrowing and the long-term interest rate on government and mortgage bonds.

Bridget Bloom, Defence Correspondent, explains why Europe is backing away from 'ET'

# U.S. 'railroading' Nato on high-tech weapons

THE DEPLOYMENT of new U.S. nuclear missiles in Europe has preoccupied the Nato alliance recently, but not to the exclusion of all else. Tickling away under the surface have been several other potentially explosive issues, one of which is currently being aired in the alliance's headquarters in Brussels before next week's meetings of Defence and Foreign Ministers.

The immediate issue is a report to be submitted to Defence Ministers entitled Exploiting Emerging Technologies—dubbed ET—which outlines some 30 potential new weapons systems. Washington would like the Defence Ministers to endorse this list for future Nato production, but European governments, and Britain in particular, are strongly resisting the plan.

The Europeans are likely to prevail. But the arguments raised by this apparently simple issue involve almost all the key questions now worrying Nato, from the future of its strategy in any war in Central Europe to transatlantic differences over industrial co-operation between the Western allies.

The ET report springs from an initiative last December by Mr Caspar Weinberger, the U.S. Defence Secretary, who submitted a paper to the Ministers arguing that new technology could revolutionise conventional warfare in Europe within a few years.

He outlined four areas where new weapons systems could give the West the edge over the much larger forces of the Warsaw Pact and, incidentally, raise the threshold at which Nato would have to use nuclear weapons.

In the last year, the Pentagon has submitted three more ET papers—on its application to the Northern and Southern flanks of Nato and to maritime warfare. These are apparently still being appraised by Nato's military committee.

Only the first Weinberger paper has been studied by Nato's committee of national armaments directors and it is that, with its attempt to get Nato's Defence Minister to endorse one group of ET weapons for service by 1990 and another for after 1995, which has raised European hackles.

The U.S. argues that new "stand-off" weapons systems and techniques in surveillance, targetting and communications could allow Nato forces to hit Warsaw Pact targets much further behind the front line (from between 30 kms and 300 kms) than at present.

These "strike deep" weapons range from variants of existing (often nuclear) short and medium range missiles like Lance, Patriot and Pershing, to clusters of anti-armour sub-

Caspar Weinberger

munitions which would be fired from stand-off positions (rather than dropped by vulnerable aircraft) to home in on targets as difficult as individual camouflaged tanks in a wood. Many of the weapons are already being researched or are in development by companies in the U.S.

European officials say they accept Washington's broad thesis that new technology should be harnessed to defence, especially if it would help to bridge the gap between the conventional forces of the two sides in Central Europe. But they raise a barrage of objections to what they see as a U.S. attempt to railroad theminto new weapons programmes.

British and West German officials, for example, criticise the Pentagon — which is not united on how far ET should be pushed — for rushing to procure new weapons systems before coherent concepts for their use have been devised.

They note the high cost of new technologies and argue that while some gaps might be plugged by adapting new technologies, existing programmes are already strained and must not be jeopardised. Such arguments for caution were put forward in a British paper commenting on the U.S. initative last August.

The Europeans are suspicious of U.S. motives at several levels. One official said: "U.S. officials insist that the ET initiative is not aimed at making us buy U.S. weapons. They make a point of highlighting some European systems which would fit the bill.

"But what are we to think when a letter from Caspar Weinberger to all European Defence Ministers urging them to support the initiative for reasons of highest military strategy is followed only a couple of days later by one from Dick de Lauer (the Under Secretary for Research and Engineering at the Pentagon) to which is attached an 'illustrative' list of the new U.S. ET weapons and their manufacturers?"

The initiative was a sham he said, a conclusion deeply resented in the Pentagon where officials say every effort is being made not to use undue pressure. They accuse Britain of "foot dragging on the initiative, but also admit that Mr Weinberger is anxious that Nato should adopt some specific weapons projects before next year's U.S. Presidential election.

Next week's Defence Ministers communiqué will probably have only the blandest reference to ET and there may not even be much discussion of it by the Ministers but the problem will not go away.

As for Nato's strategy, the problem may be briefly summed up in the much beloved jargon of the strategists. For 30 years, one of Nato's keystones has been the defence of the "forward-edge-of-the-battle-area (Feba)—the frontier of West and East Germany.

Now the talks is all of follow-on-forces-attack (Fofa)—going for those Soviet reinforcements deep behind the border with the East early in the battle. One West German official said: "This implies a new and aggressive battle concept with which Europeans in general and Germans in particular, are distinctly uncomfortable."

# Paris banking trial may prove an embarrassing ghost

BY DAVID MARSH IN PARIS

SOME of the uglier features of last year's French bank nationalisation are due to be unveiled in public on Monday. Court hearings will start in Paris on alleged breaches of exchange controls by former employees and clients of Paribas the investment bank now owned by the state.

Among about 50 people facing charges is M Pierre Moussa, the former chairman of Paribas, who resigned in October 1981 when the political row over the bank nationalisations was at its height.

The Government decided to press for charges over the case —which involves alleged smuggling abroad of gold coins, and illegal capital transfers to Switzerland—in November 1981, three months before big French banks and industrial companies passed into public ownership in February 1982.

M. Moussa has kept a low profile since the bank takeover busying himself setting up a new financial advisory company. He is not accused of active complicity in the alleged exchange control infringements involving former employees and clients of the bank's portfolio management department. Rather, the charges relate to his overall responsibility as head of the bank.

It is the first time that any French Government has pressed charges in a banking case of this kind. Normally, such affairs are settled discreetly through out-of-court transactions with the Customs administration.

M Moussa's resignation in October, 1981 followed a froth of political scandal whipped up by Paribas's success in freeing part of its foreign activities from the nationalisation net. The court action appeared to many observers partly as an attempt by some in the Socialist administration to get even with the former driving force behind the Paribas empire.

The banking climate is now much less highly charged. One chief executive of a big U.S. bank in Paris sums up the change in the Government's attitude: "At the start, there was a feeling that the banks represented a sort of Ali Baba's cave, with lots of money to spare. The Government now realises that it is not their money — but the depositors'. It is a positive development — an education process."

Banks have come under increased pressure to help bail out companies in difficulties. But, in a worsening recession, "the previous Government would probably have done as much," says M Marc Vienot, managing director of Societe Generale, one of the already-nationalised big three commercial banks.

The banks have been involved in recent highly-publicised debt restructuring deals for important companies near bankruptcy like Creusot-Loire and Manurhin. But they have generally fought hard to avoid over-concessionary loan conditions, and the companies themselves have had to accept tough industrial and financial sacrifices.

Pierre Moussa

One banker who is still worried about a creeping tendency towards softer conditions and Government interference is M Antoine Jeancourt-Galignani, managing director of Banque Indosuez, taken over last year.

He pinpoints three potentially disturbing trends. These are increased meddling by Government departments and accounting bodies; greater pressures by trade unions and local authorities who feel nationalised banks have a duty to save jobs in ailing companies; and the tendency for foreign banks in France to be allowed more generous terms in loan restructuring than nationalised banks.

A banker who feels he still has a certain autonomy in the complex relationship with the government and industry is M David Dautresme, chairman of Credit du Nord, one of the banks most involved with the loss-making Poclain excavator company.

Poclain, already the object of a large rescue package this year, is now asking the banks and the Government for more money. M Dautresme says he "would have preferred not to" have increased the bank's stake in Poclain to 5 per cent as part of this year's rescue.

But he says: "A banker has to have the right to say 'No' if the industrial plan presented by a borrower is not a good one. If I didn't have this right, I wouldn't stay in my job."

Two years later, the rancour surrounding the takeover of Paribas and the other big banks has died down. The Socialist Government, despite the initial enthusiasm of some radicals for using the banks as honey-pots for financing industrial lame-ducks and social reform programmes, has exercised its duties as banking shareholder in a more realistic way than many had feared.

Against this background, the Paribas case appears an embarrassing reminder of the past—not just for the bank, now trying to carry on as normally as possible in the post-nationalisation era, but for the Government itself.

# Husak gives strong public support to Jaruzelski

BY CHRISTOPHER BOBINSKI IN WARSAW

PRESIDENT Gustav Husak, the Czechoslovak leader and a stalwart guardian of Soviet orthodoxy, left Warsaw yesterday after a two-day visit which included a strong public endorsement of Gen Wojciech Jaruzelski.

But it is thought that in private Mr Husak will not have failed to remind the Polish leadership of the need to adhere to dogma. He is also likely to have voiced traditional Czech misgivings over Poland's large private agricultural sector and the strength of the Catholic Church.

In a speech on Wednesday, Gen Jaruzelski made no mention of the fact that Poland could learn from the experience of its southern neighbour. He had done so when speaking of Hungary's economic reform during a visit to Warsaw by Mr Janos Kadar, the Hungarian leader, a month ago.

Mr Kadar had also publicly emphasised that Poland had a right to resolve its own problems and expressed relief that a Warsaw Pact intervention had not been necessary thanks to the introduction of martial law by Gen Jaruzelski.

A Polish-Czechoslovak trade protocol signed in Warsaw foresees a 12 per cent growth in mutual trade next year with exports of Polish capital equipment to go up by 26.5 per cent and Polish imports in the same category to rise by 14.5 per cent.

# Papandreou to hold talks with Thatcher on Cyprus

BY ANDRIANA IERODIACONOU IN ATHENS

DR ANDREAS PAPANDREOU, the Greek Prime Minister, will hold separate talks with Mrs Margaret Thatcher, the British Prime Minister, on the Cyprus issue on the sidelines of the EEC Summit meeting which begins in Athens on Sunday, a Greek Government spokesman said yesterday.

The meeting is the tactical result of a decision taken by Greek and Cypriot Government leaders on Wednesday, to ask Britain to take the lead in efforts to reach a negotiated settlement for Cyprus.

A UN peace initiative for Cyprus expired on November 15, after a unilateral declaration of independence (UDI) in the occupied northern sector of the island by Mr Raouf Denktash, the Turkish Cypriot leader.

The spokesman said Dr Papandreou will raise the subject of parallel consultations between Britain and Greece, and Britain and Turkey, to try to resolve the stalemate over Cyprus. Britain, Greece, and Turkey are guarantors of the 1960 Cyprus Independence Agreement.

The Greek Prime Minister is expected to convey to Mrs Thatcher that if Britain can persuade Mr Denktash — who takes his cue from Turkey— to back down on his UDI move, then this would open the way for negotiations to settle the Cyprus problem.

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# EUROPEAN NEWS

## Defeat for Danish Government on missiles

By Hillary Barnes in Copenhagen

DENMARK will not accept responsibility for the deployment of Nato intermediate-range missiles in Europe and will insist that this is expressed in the communique from the meeting of Nato Foreign Ministers in Brussels later this month.

This stance was imposed yesterday on the non-Socialist minority government by a Centre-Socialist majority in the Folketing (Parliament) by 87 votes to 75.

Mr Poul Schluter, the Prime Minister, accepted the defeat and said the Government would loyally follow the Folketing's decision, which a speaker for the Left Socialist Party described as "a colossal victory for the peace movement."

## Power station plan for Calabria port

By Our Rome Correspondent

THE Italian Government has decided on an economic use for at least part of the colossal port which it has been constructing for the past few years at Gioia Tauro, Calabria, in the south of the country.

Ministers have agreed to build a 2,600 MW coal-burning power station there at a cost of L3,500bn ($2bn). Its construction will employ 1,400 people for seven years and marks a major step in Italy's plan to reduce its present heavy dependence on oil in electricity production by building coal-fired and nuclear power stations.

But no less important a consideration has been the need to do something with a new port, which has four kilometres of quayside and is one of the largest in the Mediterranean. Already well over L1,200bn has been spent on it. Work is pressing on – even though no shipping line or transport company has expressed any interest in using it.

## Strategic arms talks reopen

THE strategic arms reduction talks (Start) between the U.S. and the USSR convened in Geneva again yesterday and will meet again next week, writes our Defence Correspondent. The talks, aimed at reducing the intercontinental nuclear arsenals of the super powers, have continued despite the Soviet walk-out from the intermediate range talks last week.

# W. German move on party funds

BY RUPERT CORNWELL IN BONN

THE WEST German Parliament yesterday approved regulations, expected to comes into effect at the start of 1984, permitting substantially higher contributions to the funds of political parties from both the State and private individuals.

The decision came on the eve of a momentous Bundestag vote on whether to remove the Parliamentary immunity of Count Otto Lambsdorff, the Economics Minister, who is facing charges of taking bribes—presumably on behalf of his liberal FDP party —from the Flick industrial concern.

As foreseen, the Bundestag's special immunity committee yesterday recommended that Count Lambsdorff's parliamentary protection from prosecution be lifted.

The general expectation is that the proposal will be endorsed by the full parliament. This in turn will enable the Bonn public prosecutor's office to proceed against the Minister, the first member of a Federal German Government to be charged while in office.

These proceedings could well take several months. Count Lambsdorff has thus far resisted all pressure on him to resign, protesting his complete innocence and accusing the Bonn Prosecutor of misleading both himself and his lawyers.

The law, which now goes before the Bundesrat (Upper House), is designed to remove some of the underlying pressures on party finance which most people believe are at the heart of the so-called "Flick affair."

Political parties will henceforth be treated as "associations for the public good." Contributions of up to DM 1,200 (£304) for individuals, and DM 2,400 in the case of married couples will be 50 per cent tax deductible. The cost to the State in terms of lost revenue is put at over DM 50m.

Maximum permitted contributions to parties have been fixed at 5 per cent of a person's income, or 0.2 per cent of total assets in the case of a corporation, although any single donation of over DM 20,000 has to be made public.

Meanwhile, the State's direct contribution to party coffers will go up to DM 5.00 per vote won, compared with DM 3.50 before. This means an extra DM 66m of State funding for the European election campaign next summer.

The body of the law was passed by an overwhelming majority, consisting of not only three parties of the governing centre-right coalition, but also the opposition Social Democrats (SPD). Only the radical Green party voted against.

However, the SPD did clash with the Government over the unresolved issue of whether the new provisions implicitly permitted an amnesty for past offenders against party financing rules.

The SPD sought to have a clause ruling out an amnesty. This was rejected by the Government parties, who maintained it was a matter for judiciary, rather than Parliament, to decide. It was not clear what, if any, bearing any amnesty might have for those involved in the "Flick affair."

# Hernu emphasises European defence links

BY PAUL BETTS IN PARIS

MORE EVIDENCE of the current evolution in French defence policy towards greater co-operation on European security emerged yesterday when M Charles Hernu, the French Defence Minister, suggested that France's planned "rapid action force" would open up new opportunities for joint collaboration with Western allies.

M Hernu, speaking yesterday at the end of a four-day meeting of the Assembly of Western European Union, also called for greater co-operation between European allies in the joint development of new conventional weapons. While stronger links must be forged between European allies on defence, M Hernu also emphasised that European security could not be guaranteed without the U.S. and its presence in Europe.

However, one of the biggest scopes for increased French collaboration with Nato, whose military structure Paris abandoned in 1966, appears to lie in the new "rapid action force" planned in the new French five-year defence programme.

This force will include 47,000 men based in France but with the purpose of intervening in Europe within the framework of the Western alliance

M Hernu's remarks that the new mobile force would open up new collaboration opportunities yesterday follow similar suggestions by other senior defence officials.

# Summit fireworks from French farmers

BY DAVID MARSH IN PARIS

The French farmers union yesterday exploded a cluster of verbal fireworks over this weekend's crucial EEC summit by launching a dual onslaught on planned Community enlargement and on Britain's bid to hold down EEC spending.

The attack was delivered by M. Francois Guillaume, the leader of the country's agricultural union, following a meeting with President Francois Mitterrand.

M. Jacques Delors, the French Finance Minister, on Monday joined Britain and West Germany in proposing tighter control over EEC budgetary policies.

The Foreign Ministry yesterday, however, made clear that, even though Paris was calling for greater "rigour" in EEC economic management, this did not exclude the need for a continuous rise in the Community's resources, which could only be financed by increasing the 1 per cent VAT ceiling on budget revenues.

## Italy set to sign concordat, says Craxi

By James Buxton in Rome

SIG Bettino Craxi, Italy's Socialist Prime Minister, yesterday indicated that the signing of a new concordat between the Italian Republic and the Holy See could happen within "a short time." This would replace the concordat signed by Mussolini in 1929 and would redefine relations between the two states.

Sig Craxi was speaking after an audience with Pope John Paul II, the first the Pope has given to an Italian Prime Minister in the Vatican since 1979. Part of the meeting was devoted to international events, including the search for world peace.

A mixed commission of the Vatican and the Italian state recently completed the sixth draft of a new concordat. Many of the provisions of the 1929 concordat are in conflict with Italy's 1948 republican constitution, particularly its statement that Catholism is the religion of the Italian state. There are also important questions concerning the teaching of religion in schools and the annulment of marriage. The new draft of the concordat makes changes in all these areas.

The issue of the concordat is important in Italy because of the continuing division in politics between the Christian Democrat Party, regarded as having closer links with Catholicism, and the lay or more secular parties of the centre and left. It is likely that the lay parties will want the new concordat to be discussed in Parliament, which would cause further delay in its approval. Negotiations on the first draft of the revised concordat began in 1967.

# Belgium ordered to stop assisting fibre producer

BY ANTHONY MORETON, TEXTILES CORRESPONDENT IN BRUSSELS

THE European Commission has ordered the Belgian Government to stop assisting Fabelta, the state-owned fibre producer, which collapsed at the end of last year. It has given the Government two months to say how it will conform with the decision.

The Belgian Government is understood to be upset by the decision and is considering whether to appeal to the European Court of Justice.

The decision will, however, be received warmly inthe UK, West Germany and France where it had been feared the assistance would undermine the carefully drawn-up plan to reduce synthetic fibre capacity in the Community.

Under the Belgian proposal Fabelta was to have been given BFrs 725m (£9m) to expand capacity under a new owner, Beaulieu, the mass producer of cheap carpets. Of the aid, BFrs 550m was paid to the company on August 1 and the remainder was to have been handed over on January 1.

The intention was that the Government should take a majority holding in a new company set up by Beaulieu, which would acquire the rest of the shares. Under the arrangement, Beaulieu would also benefit from the financial assistance through running the salvage operation for the failed concern.

The Belgian Government will now have to tell the Commission how it intends to reclaim the first tranche of BFr 550m. It must not hand over the balance of BFr 125m.

Belgium has always claimed that the assistance given to Fabelta was part of its restructuring of the country's textile industry rather than help for a specific company. Other countries, especially Britain, which laid the complaint before the Commission, took a different view.

Fabelta has been state-owned since the mid-1970s and became bankrupt at the end of 1982. The Government appointed two "curateurs," or receivers, to sort out its affairs and then offered the concern to Beaulieu for around £700,000—a purely nominal sum.

## Juggernauts decision soon

BY PAUL CHEESERIGHT IN BRUSSELS

THE EEC's attempt to persuade Britain to accept juggernauts of up to 44 tonnes is likely to be abandoned soon.

Transport ministers meeting in Brussels yesterday were moving towards a decision, likely to be taken on December 20, to allow member states a range of maximum truck weights, possibly between 38 and 42 tonnes.

The British maximum approved by Parliament last year, is 38 tonnes.

If a range of maximum weights is accepted, then an issue which has dogged Community transport discussions for over a decade will have effectively been shelved.

## Moscow accuses Kohl of lying and distortion

BY JAMES BUCHAN IN BONN

THE SOVIET UNION yesterday launched a vicious attack on Chancellor Helmut Kohl of West Germany, accusing him of lying and distorting Soviet intentions.

An article to appear in today's Pravda, carried last night by the Tass news agency charges Herr Kohl with spreading a "shameless lie" about the contents of a letter delivered in Bonn last weekend and apparently signed by Mr Yuri Andropov, the Soviet party leader.

Tass accused Herr Kohl of claiming that the letter suggested the Soviet Union would soon reopen the Geneva talks on medium-range nuclear forces —broken off by Moscow the day after the Bonn parliament endorsed the deployment of U.S. missiles on West German soil.

"This is, to call the thing by name, a shameless lie," Tass said.

Herr Kohl said last Monday he had got the impression from the letter that the break-off of the talks was not "irreversible."

Tass said Mr Andropov had declared that Nato must re-create the situation before Western deployment to make possible a reconvening of the talks.

"Beyond that, nothing was said or could be said either to Chancellor Helmut Kohl or anybody else."

## Newspaper closed in Istanbul

By Our Istanbul Correspondent

MARTIAL law authorities yesterday ordered the closing of the Istanbul daily newspaper Hurriyet for an indefinite period. It was the first time a newspaper had been closed in Turkey since the general elections on November 6.

No reason was given for the shutdown, but last Tuesday Hurriyet inadvertently published a death notice for the exiled Turkish Communist party leader, Ismail Bilen.

There have been 14 closures of newspapers by the authorities since the 1980 military coup.






# AMERICAN NEWS

## Few new policies in Venezuela's personality poll

BY KIM FAUD IN CARACAS

WHEN Venezuelans go to the polls on Sunday to vote for a new president they will have a choice of 13 candidates. But the choice of policies to deal with the country's worst economic crisis in a quarter of a century is not nearly so wide.

The two leading contenders, Sr Jaime Lusinchi of the opposition Accion Democratica (AD) party and former President Rafael Caldera of the ruling Copei party are both ambiguous about their plans to deal with the country's falling income, prolonged recession, and its $33bn foreign debt.

Sr Lusinchi, a 59-year-old pediatrician who has been an AD parliamentary leader since 1958, has led the public opinion polls since formal campaigning began last April. He has the solid support of the AD-controlled labour movement and promises a "social pact" to unite state, labour and private sector efforts to cure the country's economic ills.

Although lacking in charisma, Sr Lusinchi has been a loyal party man since AD was created in 1941. After losing the Presidential nomination in 1977, he worked hard to unify the party following its defeat in the 1978 elections and his nomination was widely supported last year. He has relied heavily on teamwork in drafting the AD platform and his parliamentary experience stood him in good stead in designing a set of policies with party support.

Sr Lusinchi has been able to capitalise on growing public discontent with the ruling Copei administration of President Luis Herrera Campins. Sr Caldera's efforts alternately to disassociate himself from Sr Herrera and to defend him have led to a series of thinly-veiled confrontations between the party and the Government.

At 67, Sr Caldera is campaigning for the sixth time in 36 years, claiming that his experience as President between 1969 and 1973 makes him the right man to handle the country's problems. He has narrowed Sr Lusinchi's lead by running a strong campaign and promising to create a million jobs.

As a founder of Copei, Sr Caldera is often accused of haughtiness in dealing with subordinates and is the butt of political jokes in similar vein to those made about Gen Charles de Gaulle. A brilliant speaker in a country that admirates orators, Sr Caldera has dedicated a large part of his campaign to demanding a public debate with Sr Lusinchi, who has refused the challenge.

Left, Lusinchi . . . lacks charisma, but a loyal party man. *Right, Caldera . . . brilliant speaker, but accused of haughtiness.*

The first task confronting the new president when he takes office on February 3 next year is the rescheduling, delayed to allow the poll to take place, of the country's $18.4bn public sector foreign debt maturing in 1983-84. In addition, an unwieldy multi-tiered exchange rate must be simplified and a substantial budget deficit could emerge unless spending is curbed and additional income sought through increased taxation. The bureaucracy has increased by 50 per cent under President Herrera with 1.2m people now on the state payroll, and the elimination of price controls to reactivate private business could unleash an inflation rate higher than the present 10 per cent.

The country has had economic growth of almost zero since 1979 and the public sector foreign debt has grown by almost $15bn to $26.5bn. Record unemployment of about 15 per cent eroded real incomes and the lack of short-term hope for economic improvement also poses the challenge of possible social unrest for Venezuela's 25-year-old democracy.

Venezuela has, however, international reserves of more than $12bn with readily available reserves of about $5bn. Although the currency has been effectively devalued from about Bolivars 4.30 to the dollar to between 12 and 13 on the free market, it is stable and undervalued.

Accion Democratica and Copei have alternated in power since the 1958 overthrow of the country's last military dictatorship. Although AD is a self-proclaimed social democratic party belonging to the Socialist International, and Copei is closely linked to the international Christian Democrat movement, both parties are ideologically similar in practice. Observers joke that Copei supporters differ from AD supporters only in going to mass more often. Personalities rather than parties have distinguished successive Venezuelan Governments.

The relatively uninspired field of 13 presidential candidates contains two left-wingers, Sr Teodoro Petkoff of the Movimiento Al Socialismo (MAS) party and Sr Jose Vicente Rangel, supported by a coalition of small parties, including the Communists. Neither has seriously challenged the two largest parties, however.

When the eight-month, $50m campaign ended officially on Wednesday, observers were unanimous in describing it as the least substantial on issues in the past 25 years. In this election it will be personality not policy, that decides the winner.

## Eurobraz resistance to $6.5bn Brazilian loan

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

EUROPEAN Brazilian Bank, the London-based consortium bank with total assets of £766m, is holding out against contributing its share of $100m to the $6.5bn loan that Brazil is seeking from its commercial bank creditors.

Its reluctance to participate has proved embarrassing for the leading creditor banks organising the credit because of the large size of its share. The bank specialises in lending to Brazil.

Sir John Hall, the bank's managing director, declined to discuss the reasons for the resistance to the loan yesterday, but it is understood that Eurobraz is concerned about its ability to fund its participation without further support from its shareholders.

These include the Banco do Brasil with 31.9 per cent, which has already said it is willing to provide the additional funding support. But other shareholders – Bank of America with 31.9 per cent, Deutsche Bank and Union Bank of Switzerland (UBS) with 13.7 per cent, and Dai Ichi Kangyo with 8.9 per cent – have not yet agreed.

Three of these banks, Bank of America, Deutsche Bank and UBS, already sit on the committee of leading creditor banks which has been masterminding the $6.5bn loan. The loan is due to be disbursed before the end of the year so that Brazil can eliminate interest arrears on its foreign debt.

But if problems such as that which has now surfaced with Eurobraz cannot be ironed out quickly, bankers believe that Brazil will need bridging finance of up to $3bn to tide it through the year-end. Under its International Monetary Fund programme Brazil is supposed to have cash reserves of $1.5bn by the end of the year.

**Andrew Whitley in Rio de Janeiro writes:** The price of the emergency financial help Brazil received this year from international institutions and the commercial banks came to a total of over $670m in interest payments, according to figures leaked yesterday by the central bank.

These payments – to the Bank for International Settlements, the International Monetary Fund and the country's bank creditors – are over and above the previously published estimate of $9.1bn in interest Brazil was scheduled to pay this year on its outstanding medium-term debt. It has recently started to reduce interest arrears on this debt from its peak of about $3bn.

Some of these additional interest charges have already been settled, following the release by the IMF on Wednesday of $1.17bn held up since May.

## IMF 'near to normal lending'

By Stewart Fleming in Washington

THE INTERNATIONAL Monetary Fund is ready to resume normal lending procedures following the decision of the U.S. to approve its $8.4bn contribution to increasing the IMF's resources.

President Ronald Reagan signed the authorising legislation late on Wednesday and the IMF subsequently announced that most of its members had approved the planned increase in quotas to yield a total of around $94.5bn.

With this decision, it is now expected that, alongside the quota increase, additions to the IMF's resources from a $6.5bn loan from industrial countries and Saudi Arabia, and a tripling of the general arrangements to borrow to some $17bn can also be finalised before the end of the year.

## Reagan cautions on space defence plan

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan was yesterday reported to be inclining towards a "prudent" approach to the development of a futuristic space-based defensive system to destroy incoming nuclear missiles.

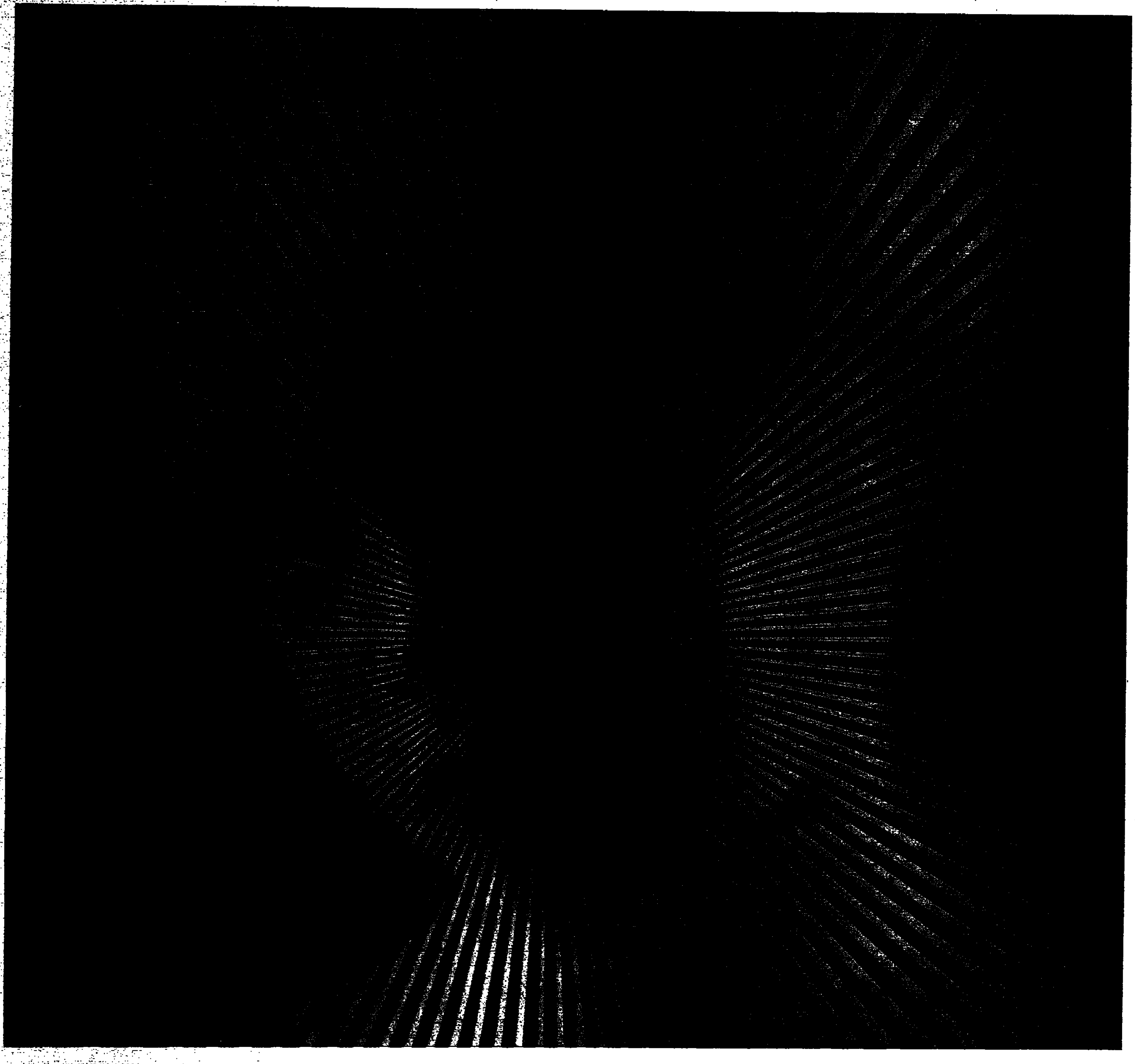
Following a National Security Council (NSC) meeting on Wednesday, Administration officials said that Mr Reagan and his senior advisers had agreed in principle to proceed with the development of such a system, which Mr Reagan first publicly advocated in his controversial "star wars" speech in March. But key decisions on the technology to be employed and the financing of the programme had not yet been taken.

They added, however that Mr Reagan now favoured putting the emphasis on research and development of technologies that might be available in the long term, rather than launching an immediate crash programme.

Last month an expert panel appointed by the Pentagon was reported to have urged Mr Reagan to make substantial increases in spending on long-term research, which is viewed as less provocative both to the Soviet Union and to American critics of the scheme.

One official, however, told the New York Times that the NSC meeting had been surprised by the "rather phenomenal effort" that was being undertaken in the same field by the Soviet Union. Officials pointed out that a long-term programme could be speeded up if the Soviet threat warranted it.

Mr Reagan was expected to make his next specific decisions on the programme when reviewing his budget for the fiscal year 1985, which is to be submitted in January.



# THE MANAGEMENT PAGE

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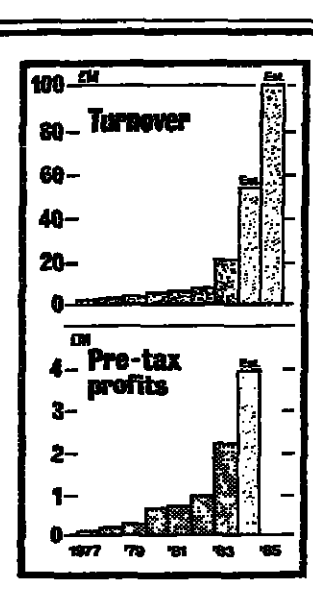


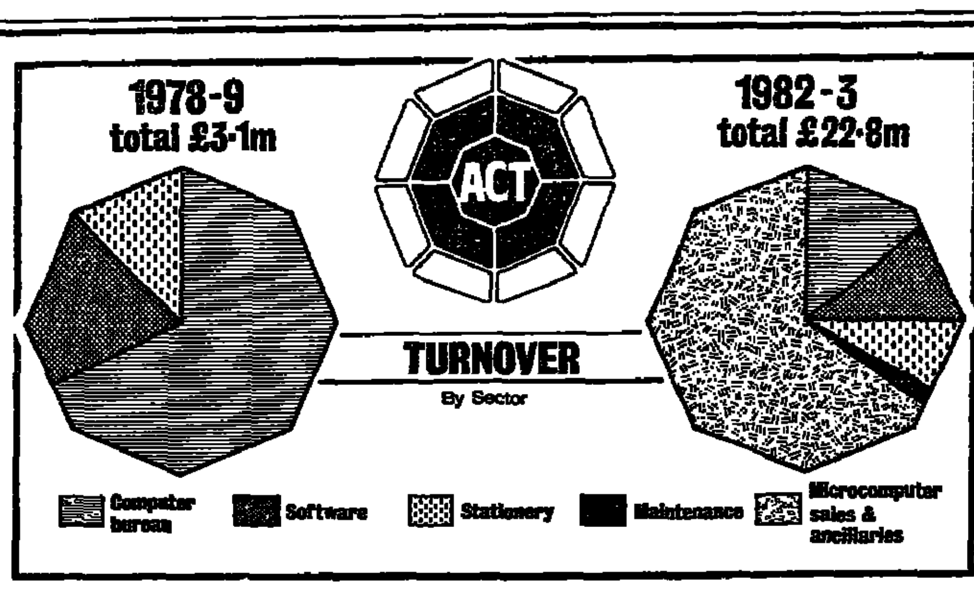


## Gambling on Apricot

**Jason Crisp** reports on ACT's quest for greater independence

THIS WEEK executives from Applied Computer Techniques (ACT), one of Britain's fastest growing public companies, have been taking a major gamble in Las Vegas. They have been at a major computer exhibition, attempting to get their newly developed microcomputer, the Apricot, into the highly competitive U.S. market.

The odds against success in the U.S. are much greater than in any Las Vegas casino. For the U.S. is the fiercest battleground of all for such microcomputers. There have already been several casualties and there is formidable opposition from IBM (in particular), and Apple, DEC, Tandy, Commodore and many others.

Ironically, it is only just over two years since ACT took a licence from a U.S. company to sell a new and powerful microcomputer in the UK. The greatest irony is that while this computer has turned ACT from a mundane Birmingham computer bureau into a remarkable growth company the U.S. manufacturer, Victor Technology, is now on the verge of bankruptcy.

It was only last January that ACT made the unusual decision (for a distributor) to develop and manufacture its own microcomputer. Ten months later—in spite of having had virtually no manufacturing experience—the first 1,000 Apricot computers rolled off the production line in a brand new factory in Glenrothes, Scotland. One of the key reasons for developing its own computer was to give the company access to international markets.

Lindsay Bury, chairman of ACT explains: "It means we have been able to reduce our dependence on overseas manufacturers and we have complete control over the product, including new versions. It also means for the first time we are no longer restricted just to selling in the UK market."

The new Apricot computer is now being heavily promoted and is expected to fuel a further dramatic growth in ACT. Two years ago the company had annual sales of about £8m; this year it will be over £50m, and the directors blithely talk of turnover exceeding £100m next year.

But ACT faces considerable competition from companies which have far greater resources. Even its strong position in the UK is now under attack.

By moving into manufacture, ACT is now one of the world's most comprehensive suppliers to the fast growing market for business microcomputers. It now handles distribution, servicing, manufacture, the provision of software, and computer supplies like floppy discs and stationery such as continuous forms.

The Apricot is a genuinely portable microcomputer and has been hailed for its good looks. It is a powerful machine which costs less than £2,000. But a recent technical review in *Personal Computer News* found it unaccountably slow and complicated to use (since the review ACT has re-issued some of its software which makes the machine faster). Nevertheless ACT claims there is already a very strong demand in the UK from dealers which is resulting from an equally strong interest from consumers.

### Signed deals

ACT's direct costs in promotion of the Apricot in the UK will be about £1m, including a TV advertising campaign. Peter Davies, managing director of ACT (UK), the distribution arm, maintains that UK sales of the machine will be not less than 25,000 next year and possibly even 40,000.

ACT has set up a new subsidiary to sell the Apricot overseas, and has already had a number of successes. In seven weeks it has signed up deals with distributors in West Germany, the Netherlands, the Far East, Australia and South Africa and has orders for 12,500 units. ACT is also talking to Victor about buying its distribution companies in West Germany and France where the Sirius (for which ACT is Victor's UK distributor) has also been successful.

ACT has a small, but significant, advantage in Europe and other world markets because the leading U.S. companies, notably IBM, have tended not to launch their products until 12 to 18 months after the U.S. This should give ACT time to establish itself.

Even so, ACT can do little to stem the might of IBM. Miles Thistlethwaite, of consultants Inteco, part of Dataquest, comments: "Their (IBM's) absence from the UK created ACT and their presence will dent it."

But while ACT is being aggressive about moving into most world markets as quickly as is possible it is, by contrast, being much more cautious about the U.S. — which represents about half the world market for microcomputers. "I am absolutely adamant that we will not put a lot of resources—either personnel or money—in the U.S.," says Roger Foster, founder and managing director. "It is one of the great strengths of ACT that we are not there. We can get all the growth we want in the other half of the market."

The ACT executives at COMDEX, the U.S. computer exhibition, will therefore try and set up distributors, retailers or companies which will sell the Apricot under their own name in the U.S. The target is to sell 20,000 in the U.S. in 1984, but ACT is unwilling to provide any significant finance for the operation—such as advertising. "We are really looking for another ACT in the U.S.," says Foster.

One of the key reasons for ACT's success in the UK was the early realisation of the potential of the powerful 16-bit computers for business. This potential was, at the same time, a threat to ACT's core business—the computer bureau. With low-cost computing available on a micro many companies no longer need to use the general computing services available on a bureau.

In October 1981 ACT reached a deal with Victor Technologies, one of the first companies to develop a 16-bit computer, giving it sole UK marketing rights for three years. (Most microcomputers, like Apple, Commodore and Tandy, are 8-bit which are significantly less powerful and slower.)

By the end of this year Inteco, the consultants, expects the IBM Personal Computer will have 30 per cent of the UK market for business systems in the $4,000 to $8,000 range. In the year to mid-1983 Commodore had 39 per cent of this market segment, Apple 20 per cent and ACT 18 per cent with the Sirius. (ACT is the leader in terms of 16-bit computers.)

Myles Thistlethwaite also warns that the Apricot will cut into sales of the Sirius. Although this has been expected by ACT the company says that, so far, this has not happened.

ACT says it is not worried about supplies of the Sirius, which are still arriving from the U.S. without great problems. Also, three companies, including Swire Pacific of Hong Kong, are negotiating with Victor to be a second source. (Although Victor sales have collapsed in the U.S. there is still enough demand in the rest of the world for it to be an attractive manufacturing contract.)

ACT, which was founded in 1965, began to diversify away from its basic computer bureau business in the late 1970s. It first bought a bankrupt printing company specialising in stationery used with computers. The rationale was that the bureau, and its customers, were already major users of these products.

Second, it began to supply mini computer systems, mainly to financial companies in the City. It bought the computers from the U.S. companies DEC and (until recently) Data General, and using its own staff wrote the software for specialist applications.

### Specialises

Third, it took a stake in a small Californian microcomputer company called CompuThink and sold its product in the UK as the ACT Series 800. This was a small, not very sophisticated computer which was not at all successful.

Fourth, ACT bought a small software publishing house called Petsoft which specialised in programs for the Commodore PET computer. This has been renamed Pulsar and now specialises in business software for the new generation of powerful 16-bit microcomputers like the Sirius and the IBM Personal Computer.

The latest move to develop and manufacture the Apricot has yet to be proved successful. There were three reasons why the company chose to manufacture rather than sub-contract. First, it did not want to lose control of production. Second, it benefited from substantial Government grants of about £2.5m by making it in Glenrothes. Third it felt it would benefit from the image of having a British built machine.

(Like most personal computers almost all the components are sourced from overseas, including all the semi-conductors which are assembled onto the main printed circuit board in the Far East. Also, the screen is made by Matsushita, the disc drives are made by Sony and the keyboard by Hitachi.)

Although ACT claims the manufacture of the Apricot will be profitable the real value to the company will be through the distribution and the additional business it generates, where margins are higher. It also means ACT may have room to cut prices if competition gets really fierce next year.

The company is very dependent on the success of the Apricot for its future growth. The company hopes to sell £25m worth of the Apricot in 1984, £35m in 1985 and £50m in 1986. The Apricot costs just under £1,700 and can use the software which has been written for the more expensive Sirius and, it is claimed, can use 95 per cent of the software written for the best-selling IBM Personal Computer.

One obvious question which hangs over ACT is if it does achieve its ambitious growth will it be able to manage it. Foster points to the stability and experience of the management; the top 10 people in the company have been there at least ten years. Lindsay Bury says that the company is very conservative about its financing and learned some tough disciplines when running the computer bureau business.

Keith Hodgkinson, at brokers L. Messel, who watches the company closely, says: "It's very nimble and quick to react to change, which is an important quality."

Next year, ACT plans to extend its product range. This is likely to include other versions of the Apricot, and the distribution of other company's products. "We will prove we are not just a one product company," says Foster.

## Guidelines for better planning

STRATEGIC planning has fallen into disrepute in many companies since the early 1970s "because of a pretty sorry litany of problems and shortcomings," according to one of America's top planning executives, Michael Naylor of General Motors.

Top management is partly to blame, says Naylor, for introducing strategic planning with expectations that were extraordinarily high, and often unrealistic. But planners themselves were also at fault, for relying on the systematic but simplistic use of the latest analytical techniques. They also paid inadequate attention to analysing the likely actions and reactions of their competitors.

Naylor's flagellation of his colleagues in the planning fraternity, together with his suggested cure for their ills, was delivered right in the lion's den—before an andience of top planners at Business Week's recent annual European Corporate Planning Conference.

His catalogue of planning's woes ran roughly as follows:

● Over the last 10 years many strategic planning exercises had been largely "ceremonial," with the work being done by central staffs who were all too often far removed from the company's businesses. Their efforts often either assisted in the company's gradual "paralysis by analysis," or just sat as thick volumes on bookshelves, "gathering dust, unopened and unread."

● When executives did pay attention to these laboriously developed plans, they became inflexible "hallowed objects." Companies followed them "long after prevailing environmental conditions had changed to the point where they were now quite irrelevant." In this climate entrepreneurial behaviour was i m p o s s i b l e. "Ironically, a process originally intended to make the business more competitive ended up inhibiting (its) competitive responses in rapidly changing environments."

● Whether the plans were ignored, or changed radically from year to year, "the organisation quickly recognised inconsistencies between what management was saying and . . . actually doing. These mixed signals quite often led to a loss of confidence by the rank and file in the management team."

● Not only was the planning process too demanding of scarce top management time, but it relied heavily on internally generated "facts" that all too often turned out to be "misinformed opinions." To cap it all, many plans were deliberately cast in an over-optimistic light in order to be acceptable to corporate cultures that strongly discouraged the taking of bad news to top management.

So what's to be done? Naylor's advice to planners included:

1. Listen more carefully to the outside world, rather than relying on sources within one's own company.

2. Become more creative and imaginative.

3. Evaluate the impact of proposed strategies on company values, as well as finances, markets and technology.

4. Develop much better internal communications and grab the attention of management.

For the company as a whole, he counselled the introduction of strategic planning concepts and systems throughout the corporate structure, so as to push the responsibility for planning down to line management as far as possible.

In GM's case this has meant the introduction of "strategic business management" down to the level of individual business units, Navlor reported. Planning really fails for lack of "ownership," he concluded.

**Christopher Lorenz**

## Business courses

**Production control: how to make it happen,** Cambridge, December 12. Fee: Members £80.50; non-members £101.20. Details from the Seminar Secretary, BPICS, 3 The Square, Sawbridgeworth, Herts. Tel: 0279 723544.

**Being your own business,** Uxbridge. December 1-2. Fee: £50. Details from the Self Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH. Tel: 0895 56461.

**International portfolio management—optimising corporate and institutional investment,** Brussels. December 19-21. Fee: Non-members BFr 46,000; Members (AMA/I) BFr 42,000. Details from Management Centre Europe, Avenue des Arts 4, B-1040 Brussels. Tel: 02 219 03 90. Telex 21.917.

Reginald Dale reports on a new trend in Washington policy

# U.S. a land of promises for Israel

THE U.S. and Israel have this week agreed on such a radical strengthening of their already close relationship that a senior Administration official has felt obliged to deny that the two countries were "forming a military axis against the Arabs."

On the surface, the new forms of strategic, economic and political co-operation agreed during the Washington visit of Mr Yitzhak Shamir, the new Israeli Prime Minister, appear to give Israel virtually everything it wanted, with no political trade-off by the U.S. Mr Shamir admitted as much when he bluntly stated that Israel did not owe the U.S. anything and that U.S.-Israeli relations were not based on the concept of *quid pro quo*.

Yet it was Washington, as much as Israel, which sought the new relationship, following a conscious decision taken at the highest level largely at the behest of Mr George Shultz, the Secretary of State, on October 29. Although some people in Washington may feel that Israel has once again led the U.S. up the garden path, as far as Mr Shultz is concerned Mr Shamir's visit went just about exactly according to plan.

Among a series of agreements announced in the last few days, Israel has secured the following long-sought objectives:

● Recognition of its status as a special ally through agreement in principle on joint U.S.-Israeli military manoeuvres, the stockpiling of American medical and possibly military equipment in Israel, and joint military planning. The details are to be worked out by a new top secret joint political military committee which is to hold its first meeting in Washington next month and which will co-ordinate future strategic decisions.

● Agreement by the U.S. rapidly to negotiate a reciprocal free trade agreement on the lines of Israel's free trade area agreement with the European Community, under which tariffs are substantially reduced, Israel believes will give a major boost to its exports to the U.S.

● A marked easing of the conditions under which the U.S. grants military aid, to allow much more of it to be spent in Israel, and substantially reducing the proportion that Israel has to repay to Washington.

The special treatment granted to Israel has now reached the point at which Mr Shamir had no qualms about publicly comparing his country's status to that of a Nato ally. The implication is that Israel deserves to be treated as a full member of the West standing up to the East.

That description might be disputed by the U.S. authorities who declined to give Israel the same status as the Nato allies as an arms supplier to the U.S. It does, however, provide a strong clue to the Reagan Administration's thinking about the Middle East.

Washington's analysis is roughly as follows: Attempts to reason with Syria have proved frustratingly fruitless and the political and military situation in Lebanon remains deadlocked; the U.S. Marines in Beirut, already shattered by the devastating bomb attack of October 23, face a constant threat from Moslem extremists under Syrian "sponsorship;" the impasse has let the Soviet Union back into the Middle East via its Syrian ally—Soviet weapons and advisers are now pouring into Syria, turning the region into a cockpit of potential East-West confrontation.

Israel and the U.S. are equally alarmed by the Soviet build-up in Syria and have a common interest in confronting or at least containing it. President Ronald Reagan made no bones about the fact that the main objective of the political and military co-operation was to counter "increasing Soviet involvement" in the Middle East and to provide a specific warning to Syria.

On top of that, Israel's co-operation is required for three predominantly political reasons in the upcoming U.S. election year. First, to bring about a withdrawal of all foreign forces from Lebanon, to allow the Marine contingent to get out before the elections are too close. The presence in Beirut of the vulnerable Marines is seen in the White House as one of the most potentially worrying issues of the entire election campaign.

Second, to revive Mr Reagan's moribund Middle East peace initiative of September 1 last year so as to give the Administration a foreign policy success in the election run up, and third, to establish a general climate of warm U.S.-Israel relations, generally considered a necessity in an election year given the importance attached to the American Jewish lobby.

Mr Shultz's tactic this week was to give Israel most of what it wanted at the practical level without demanding an immediate political pay-off, in the hope that a strengthened, more co-operative relationship would provide political dividends in the future. Israel's economic difficulties should also make it more amenable to the influence of its U.S. paymaster.

Thus, Washington seemed not to mind that Mr Shamir this week made absolutely no concessions on the expansion of Jewish settlements on the West Bank, which the U.S. continues to describe as "an obstacle to peace," or even on Mr Reagan's broader peace plan.

The U.S. is taking an enormous gamble. There is absolutely no guarantee that waving the big stick at the Syrians will make them any more likely to unblock the Lebanese logjam by withdrawing their forces—indeed it might be argued that it can only increase the chances that the U.S. will be drawn into a disastrous military confrontation with a Soviet ally. There seems to be no other strategy for dealing with Damascus.

U.S. officials and Mr Shamir vigorously denied that the two countries were plotting war against Syria, but Mr Moshe Arens, the Israeli Defence Minister, would not rule out the possibility of joint U.S.-Israeli military action against the Syrians, depending on "the extent of the challenge."

U.S. claims that the new arrangements will not upset moderate Arab countries have already proved unfounded. Prince Bandarbin Sultan, the Saudi Arabian ambassador in Washington, immediately expressed his country's concern and there is talk in the Arab League of the need for an emergency summit meeting to discuss what one leading Arab diplomat called "a painful reassessment of Arab-U.S. relations."

Finally, of course, there is the most important question: will the Israelis feel in any way bound to reciprocate for this week's generosity in the future? As Prince Bandar put it on Wednesday, in a slightly more cynical version of Mr Shamir's own remark about the *quid pro quo*:

"The history of the Israelis' actions has always been that they've asked for something and that they don't give anything in return."

Growing closer: Mr Shamir meets Mr Reagan in Washington.

# Top Druze leader killed in Beirut

BY NORA BOUSTANY IN BEIRUT

EFFORTS to reopen Beirut International Airport, closed for the second consecutive day, suffered a serious setback yesterday with the assassination of the Druze community's most senior religious judge.

Sheikh Halim Takieddine, the highest religious Druze authority in Lebanon, was shot by a visitor in his West Beirut home. The army promptly extended an evening curfew by three hours, and Mr Chafik al-Wazzan, the Prime Minister, held an emergency meeting with security officials to discuss the circumstances of the murder.

Earlier yesterday a French soldier of the multi-national force was killed by sniper fire along the Greenline demarcating mainly Moslem West Beirut and the Christian eastern half of the city. Meanwhile, artillery duels in the mountains east of Beirut intensified.

The Druze Progressive Socialist Party (PSP) of Mr Walid Jumblat revealed it was behind the airport shelling on Wednesday by demanding that several of its conditions be met.

The PSP said it would allow for a safe re-opening of the airport if the daily bombardment of Druze mountain villages it controls is halted, the ceasefire stabilised, and Druze civil servants' salaries paid despite their absence from work.

The Druze militia claims the state-run media has not been giving a true account of mountain battles between Druze fighters and the Lebanese Army.

It remains unclear whether the murder of Sheikh Takieddine, a moderate, will trigger reprisals against Christians. The Phalange media hinted that Druze hardliners may have been behind the killing because of the religious figure's conciliatory views.

In northern Lebanon, Mr Yassir Arafat, the Palestine Liberation Organisation leader, was still stalling on a week-old ceasefire agreement reached between Syria and Saudi Arabia.

Mr Arafat has demanded that international observers oversee the evacuation of his troops, still holding out against Syrian-backed guerrillas in Tripoli.

Mr Arafat has called for Saudi officers, as well as United Nations observers, to supervise a disengagement of forces and to guarantee safe conduct out of Tripoli for his men, should they leave by sea.

His terms have been handed to a peace team headed by a former Prime Minister, and leading Tripoli politician, Mr Rashid Karami.

## OVERSEAS NEWS

# Manila seeks $600m in bridging funds

BY EMILIA TAGAZA IN MANILA

THE PHILIPPINES Government is negotiating for some $600m (£400m) in bridge funding from the U.S. and Japanese Governments, while it awaits final approval of a SDR 615m (£492m) standby credit from the International Monetary Fund and the re-scheduling of its foreign debts.

It is hoped that the bridge financing will immediately ease the difficulty of Philippine enterprises in importing raw materials and equipment to sustain their business activities.

Import financing for the Philippines has virtually stopped since mid-October, after the Government asked for a 90-day moratorium on debts falling due between October this year and January next year.

Mr Gabriel Singson, senior deputy governor of the central bank, who has just returned from negotiations in Tokyo, said the $600m bridging fund will be in the form of cash advances from the U.S. and Japan.

The Philippines Government is seeking from Japan, conversion into cash of a $230m project loan from the Overseas Economic Co-operation Fund, he added.

An additional $50m in guarantees for imports from Japan are also being sought, plus another $50m in cash, in lieu of oil advances

Mr Cesar Virata, the Philippines Prime Minister, who is also Finance Minister, has been negotiating in Washington for $300m in cash advances from the U.S. Treasury, the U.S. Export-Import Bank, and the Commodity Credit Corp.

During his earlier trips to Washington, Mr Virata reported favourable responses in talks with Mr Donald Regan, the U.S. Treasury Secretary.

A central bank official said the Philippines will still need to service $3.5bn in payments a year, even if the Government succeeds in the current re-scheduling talks in New York.

# Sri Lanka conference to debate ethnic peace plan

BY JOHN ELLIOTT, SOUTH ASIA CORRESPONDENT

THE GOVERNMENT of Sri Lanka is to call an all-party round-table conference soon to debate a peace formula for the island's ethnic problems that has been thrashed out during weeks of diplomatic activity in Colombo and New Delhi.

This was announced last night by Mr J. R. Jayewardene, Sri Lanka's President, when he returned to Colombo from New Delhi where he had met Mrs Indira Gandhi, India's Prime Minister, following the end of the Commonwealth leaders' conference.

The formula makes concessions to demands by the Sri Lankan Tamil minority community who want to secure a régime for their community in the north and east of the island.

But the formula does not go far enough to ensure that the Tamil United Liberation Front, an outlawed political party that calls for a separatist Tamil state, will be able to persuade its extremist wing to fulfil their side of any deal.

It is extremely unlikely that the Sri Lankan Government will make any further early concessions, and Mr Jayewardene may have problems selling what he has agreed in New Delhi to hard-liners in his Government, which is dominated by the island's majority Sinhalese community.

The main concessions are that existing plans for district development councils should be boosted with the creation of more powerful regional councils whose powers would cover economic development, law and order including high courts, and land reform.

In the last few days, Mr Jayewardene has agreed to waive a plan for referenda in the proposed new Tamil regions and is also expected to invite the Tamil Front to a round-table conference, providing other political parties in Colombo agree.

But the main point of difference between the Government and the Tamils remains unsolved. The Government wants to have two regional councils in the north and east, so splitting the main Tamil strongholds and protecting other minority groups, including Moslems.

The Tamils want to consolidate their base by combining the two areas into one region, although Mr A. Armarthalingham, leader of the Tamil Front, said in New Delhi yesterday that Moslems in one key area of Ampari could opt out of they wished.

# Egypt unveils Gazelle anti-tank helicopter

BY CHARLES RICHARDS IN CAIRO

THE FIRST Aérospatiale Gazelle anti-tank helicopter assembled in Egypt was unveiled yesterday at a display aimed primarily at potential Arab and African customers.

Delegations from Iraq, Jordan and the Gulf, which have no diplomatic relations with Egypt, and other Arab countries, attended the display at the premises of the Arab Organisation for Industrialisation (AOI)

The attempt to set up a regional arms manufacturing base in Egypt fell through, and AOI today is totally Egyptian-owned, since the Arab partners from Qatar, United Arab Emirates and Saudi Arabia withdrew, because of Egypt's peace treaty with Israel.

The Gazelle was, ironically, assembled at the Arab British Helicopter Company, a $30m (£20m) company British only in name, after Westland withdrew in 1979 because of uncertainty over AOI's future. AOI's production is set at two a month until March 1985, depending on further orders.

Despite the rhetoric about Egypt's ability to build sophisticated weapons systems, production of the Gazelle is limited to bolting together parts shipped from France.

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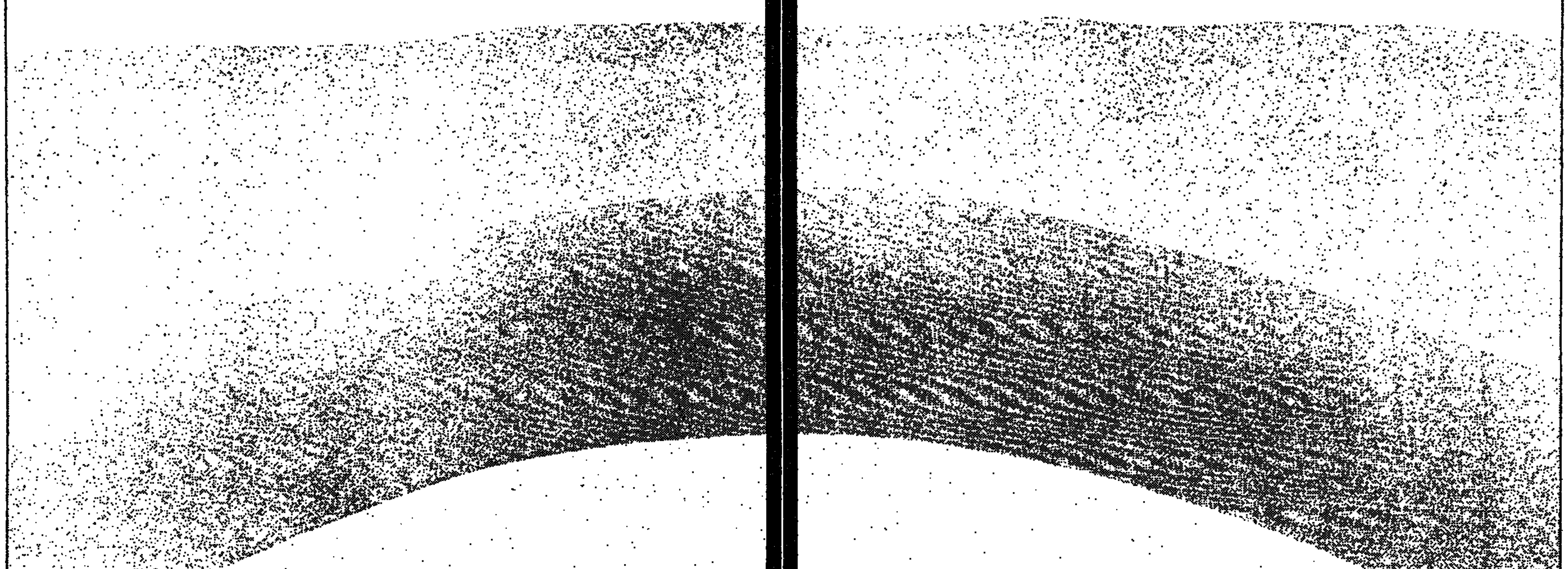

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# WORLD TRADE NEWS

## Regan working group hears EEC attack on unitary taxation

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Community has followed up its recent diplomatic protests against unitary taxation in the U.S. with a formal submission to a special working party set up by President Reagan.

The working group, which is chaired by the Treasury Secretary, Mr Donald Regan, has been told that the worldwide unitary taxation system operated by several American states runs counter to an "accepted principle" of international taxation practice.

This holds that "an enterprise of one country carrying on business in another country should be taxed in the other country only on profits of activities carried on there," says the Community.

It draws attention to the two principal complaints of European multinational companies. The first is that the risk of double taxation "is inherent in the system." This is because part of the non-American profits which will have been taxed in the home country of an enterprise, or wherever earned, are taxed again in the U.S.

The Community cites the position in the Shell Petroleum NV v Franchise Tax Board case which is now before the U.S. Supreme Court. Over a number of years Shell's California subsidiary accumulated losses but was taxed on profits of $40m under California's worldwide unitary taxation system.

The Community says that the second major complaint from multi-nationals is that the costs of complying with the system are very high. Companies with subsidiaries in the U.S. have to produce accounts of their world-wide subsidiaries stated in U.S. dollars and much additional non-financial information.

"The cost and effort expended in supplying this information, possibly to a number of states in different format, is a heavy administrative burden," adds the submission.

## Australians protest

BY OUR WORLD TRADE STAFF

AUSTRALIAN BUSINESS interests have joined the increasing international protest against U.S. unitary tax laws with a call for retaliation if the tax issue is not resolved.

The Australian Chamber of Commerce said yesterday that the imposition of the taxes by at least a dozen U.S. States on the worldwide operations of companies rather than just on their State operations imposed considerable strains on commercial relations between the two countries.

The chamber, which represents 40,000 Australian companies, said the laws were in breach of Australia's double tax accord with the U.S.

Its protest, in a Note delivered to Mr Robert Nesen, the U.S. ambassador in Canberra, said it had asked the Australian Government to consider retaliatory taxes on the large number of U.S. multinational companies in Australia if something was not done by the U.S. Federal Government.

In a recent development, a lobby group of 14 of the largest companies within the EEC has been set up to press the U.S. Government on the tax issue, although to a large extent the future of the tax laws lies with the individual states themselves.

The lobby group, the Committee to Restore an International Stable Investment System (Crisis), filed a complaint with the U.S. Treasury Department's working group on unitary tax last week. Representatives of Crisis are meeting with U.S. officials in Washington this week.

## W. German, UK companies to build Nigerian pipeline

BY RICHARD JOHNS

MANNESMANN of West Germany and the International Management Engineering Group (Imeg) of the UK have won a $284m contract for a gas pipeline, treatment plant and other related facilities from the Nigerian National Petroleum Corporation.

The contract is part of the project for processing and transporting 400m cubic feet of gas per day from the Escravos region on the south-east delta for burning in the Igbin power station near Lagos. Imeg, which was reponsible for the Iranian gas trunkline to the Soviet Union, has 8 per cent in the partnership with Mannesmann. It will carry out the design and engineering.

The contract involves the construction of 138 kilometres of pipeline, the plant at Warri for dehydrating the gas and extracting liquid petroleum gas at Warri, and administrative buildings.

Last month the Italian consortium of Snamprogetti and Saipem was awarded a $264m contract for 340 kilometres of pipeline.

The contracts are two of the biggest awarded this year in Nigeria where investment has been sharply curtailed.

Mr Ian Bowler, chairman and managing-director of Imeg, commented yesterday that there was a high equipment component in the latest one which would present a considerable opportunity for British companies.

Mannesmann and Imeg are understood to have won the contract with the lowest bid ahead of:

- Hyundai of South Korea at $298m.
- Spie Capag of France and Nacap of the Netherlands at $350m.
- Saipem and Snamprogetti of Italy at $350m.
- Chyoda and C. Itoh of Japan at $386m.
- Edok-Ater of Greece and Foster Wheeler Italiana at $393m.
- Dumez of France ond Sobea of Belgium at $399m.

## Egypt, Soviet Union aim to increase trade

BY CHARLES RICHARDS IN CAIRO

EGYPT AND the Soviet Union have signed a trade protocol for 1984 that aims at increasing the volume of trade by 25 per cent from £400m to £500m a year. Most of this is due to the depreciation of sterling against the dollar to which the Egyptian pound is based.

The protocol was signed on the Soviet side by Mr Ivan Grishin, the Deputy Trade Minister, one of the most senior Soviet officials to have visited Egypt in the past two years.

Last year the Soviet Union exported 500,000 tonnes of coal, 3,000 cubic metres of timber, 25,000 tonnes of frozen fish, as well as machinery, capital goods, spare parts, chemicals, newsprint and glass.

Egypt exported 15,000 tonnes of cotton yarn, 15 metres of textiles, 60,000 to 65,000 tonnes of oranges and citrus fruits, onions, garlic, wine and rice and cosmetics.

The protocol is signed under 1962 trade accord. A further agreement was signed in Moscow in May this year.

Speculation however that ambassadors might be exchanged have been scotched by recent declarations by President Mubarak that evidence remains of Soviet meddling in Egypt's internal affairs.

## Orders revival benefits Japan, S. Korea shipyards

BY ANDREW FISHER, SHIPPING CORRESPONDENT

JAPAN and South Korea, the world's leading shipbuilding countries, were the main beneficiaries of the further rise in world merchant orders during the third quarter.

This was the third successive quarter during which shipyard order books increased, but levels of business remained well below those of the mid-1970s, before the tanker boom ended.

The world order book at the end of September stood at 31.4m gross tons against 29.7m at end-June and 30.8m at the end of last year's third quarter, Lloyd's Register said.

The Japanese order book rose sharply by 1.7m tons in the three months to 13.1m tons, with South Korea gaining 624,000 to 4.3m. China, Taiwan, and Brazil also increased their order books.

The Japanese industry has benefited in recent months from the placing by Sanko Steamship of orders for 111 bulk carriers.

The Lloyd's Register figures showed a fall in orders for the UK and West Germany, leading shipbuilding nations in Europe which are now undergoing extensive rationalisation.

## Short Bros wins order from Danish airline

By Our Belfast Correspondent

MAERSK AIR, the main Danish domestic airline, has signed a £13.7m contract with Short Brothers of Belfast for two Shorts 360 aircraft, with options on a further three. The sale marks a breakthrough for the state-owned company in mainland Europe. More than 70 orders and options for the aircraft have been received so far, mainly from the U.S.

Air Business, a subsidiary of Maersk Air, will take delivery of the first aircraft early next year.

The parent company operates most domestic services in Denmark, and has a large charter and leasing operation, which includes North Sea oil support services.

## Courtaulds' bid

COURTAULDS, the largest British textile company, has joined bidding for a project worth approximately £12m to provide know-how for the modernisation of an East German viscose fibre plant, Leslie Colitt writes from Berlin.

The British company's role would be as a sub-contractor to a West German company, which has bid to manage the modernisation scheme in Schwarza.

## French open school computers to tender

BY DAVID MARSH IN PARIS

FOREIGN micro-computer manufacturers look likely to be given a chance to increase their share of the French market following the announcement in Paris of an ambitious programme to boost significantly the use of computers in education.

Under the plan, just unveiled by the Education Ministry, schools, colleges and universities are to be equipped with 100,000 computers by 1988. The cost of the programme, divided equally between purchase of equipment and training, will be around FFr 400m (£33m) a year starting next year.

A number of non-French computer makers, ranging from International Business Machines and Apple to a clutch of small British companies, have been trying for some time to win access to the French education market.

Up to now, however, educational computers have been mainly supplied by domestic concerns. These are Thomson for standard "home" micro-computers and R2E (part of the Bull group), Logabax (based in France but now owned mainly by Olivetti) and Leanord (part of the Creusot Loire group) for more advanced (and expensive) "professional" computers.

There are only around 11,000 units currently in place throughout the French educational system — well behind the number in Britain, for example.

The lion's share of the schools computer programme will clearly be taken by French companies. But tenders for equipment purchase will be open to foreign competition.

As a first step, the Education Ministry already launched a tender in October for 5,000 more advanced micro-computers in the professional computer class. According to a senior ministry official, "all the big names, French and international," have replied to the tender. Results of the tender will be known in January.

Another tender is due in January for purchase of 15,000 "home" type computers for use in less advanced schools and colleges. Acorn of the UK, which plays a key part in the BBC schools computer project, has already had contacts about the possibility of joining up with Thomson in the French education field.

One drawback for foreign companies is the need to adapt material to French language specifications. "In many cases, they have no choice but to enter into collaboration with French software companies or to start up a manufacturing operation in France," commented one Paris computer analyst yesterday.

## Amex lends $100m for Philippines N-plant

BY EMILIA TAGAZA IN MANILA

THE American Express International Corporation (Amex) has agreed to lend $100m (£68m) for the Philippines' first nuclear plant, following the agreement by the U.S. Export-Import Bank to give full guarantee to the loan.

The National Power Corporation (NPC), which is building the $1.7bn reactor, yesterday said the new loan is in lieu of the $84m loan commitment which a group of banks, led by Amex, earlier withdrew. The $84m loan was to have been 50 per cent guaranteed by the Philippines Government and 50 per cent by the U.S. Eximbank. However, most of the participating banks withdrew because of political and economic uncertainties in the Philippines.

The banks were particularly worried after the Philippines Government asked for a 90-day moratorium on foreign debts maturing between mid-October and early January. The country is currently negotiating for a re-scheduling of debts falling due between 1984 and 1986, and for the acquisition of some $3bn in new loans.

Mr Philip Chan of NPC's loan management division said the new $100m loan, to be signed next week, will have a 10-year maturity and three-and-a-half grace. It has a spread of ⅝ per cent over the London interbank offered rate (Libor) for the first $50m while the balance will carry a 3-16th per cent interest over Libor.

Mr Chan said 70 per cent of the loan would be released immediately after signing while the rest would be drawn in July next year. Despite the new loan, however, the project will still need $200m more in foreign financing.

The 620 Mw nuclear plant, being constructed for NPC by Westinghouse, has been through several controversies. Construction started in 1979, with an initial cost of $1.1bn, but it was shortly suspended due to strong protests specially after the Three Mile Island nuclear accident. When construction was resumed several months later, the price had gone up to $1.7bn

## Tokyo moves on export insurance shortfall

TOKYO—Japan's Ministry of International Trade and Industry (Miti) is seeking Y150bn (£441m) in loans from the Finance Ministry's Trust Fund Bureau to cover an anticipated shortage of funds in the export insurance special account for the year ending March 31 1985, Miti sources said.

If the bureau cannot provide the whole amount, the ministry may ask for refinancing by the Japanese Export-Import Bank of Y50bn of Philippine debts which are to be rescheduled, so that insurance payment may be avoided, they said.

Initially a shortage of Y75bn was expected.

The account's expenditure was originaly estimated at Y250bn, comprising Y220bn of insurance payments and Y30bn of operational expenses, the sources said.

Funds available were estimated at Y175bn, leaving a Y150bn shortage.

A final decision on funding the expected shortfall will be taken in mid-January when the Finance Ministry compiles the 1984-85 national budget, the sources said.

Reuter

## Ford vote to accept 7.5% pay award

By Philip Bassett, Labour Correspondent

FORD WORKERS have voted on a plant-by-plant tally to accept the company's 7.5 per cent pay offer and to reject an all-out strike threatened from January 3.

Final results of the plant voting were completed yesterday, when the decision by the Dagenham knock-down plant to accept the offer brought the total figures to 13 plants accepting, 10 rejecting, with one split vote at the Langley plant.

Ford also believes that a numerical majority of workers voted in favour of the offer, although this will be the main issue when the company's convenors meet on Monday to discuss the detailed voting results.

That meeting may try to press the company for renewed negotiations in the hope of getting an improved offer, arguing that even though the plant-by-plant count gives a majority in favour of acceptance, the division among the workforce over the offer was so clear as to indicate sharply the level of discontent.

While the likelihood of the unions going ahead with strike action on this basis must now be remote, the possibility of a new approach from union negotiators means that the company may still be a little way from reaching a pay deal for its 44,500 hourly-paid workers.

Mr Ron Todd, the unions' chief negotiator, seemed to be signalling the unions' reluctant acceptance of the fact that the plant tally showed a majority in favour of the offer.

He rejected suggestions that the unions should use a postal ballot to test their members' views on pay offers.

## Recovery hopes grow as jobless total falls

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

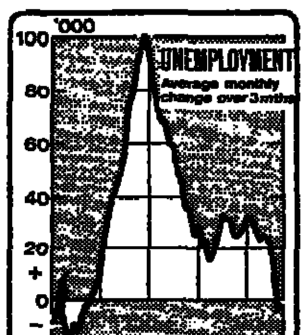
UNEMPLOYMENT in Britain has fallen for the second successive month. Senior Whitehall officials are suggesting that the unemployed level is now on the decline, or has at least levelled off.

Figures published yesterday by the Department of Employment show that the total number of persons claiming unemployment benefit dropped last month by 10,000 to 3,084,000. After seasonal adjustment and excluding school-leavers, the total fell by 4,000 to 2,937,000.

The underlying total has now fallen in three out of the last four months.

Recent official figures have been confused by the decision in the last budget to allow men over the age of 60 to leave the unemployment register and to claim social security benefit instead. This reduced the recorded number of unemployed by 162,000.

After this change is taken into account, the figures show that the underlying rise in unemployment was decelerating fairly steadily, from about 30,000 a month at the turn of the year to a turning point in the early autumn, when the monthly total started to fall.




The fall in unemployment is being taken in Whitehall as supporting evidence for the Treasury's optimistic view of economic recovery, compared with those of outside forecasters. The Treasury believes that national output is now rising at an annual rate of about 3 per cent, and that this will continue next year. However, the general view outside the Treasury is that output has been growing at less than 3 per cent this year and that growth will slow again next year.

After taking into account productivity increases and the gradually increasing number of people seeking work, it is generally agreed that growth at an annual rate of at least 2½ per cent will be needed to make a dent in the unemployment total.

Yesterday's figures showed a substantial fall in unemployment in the West Midlands, which has been particularly hard hit by the decline in demand for manufactured goods since 1980. But unemployment continued to rise in London and the south-east of England, as well as in the more depressed areas of the north and north-west of the country.

Sir Terence Beckett, director general of the Confederation of British Industry said: "Good news – it now looks as if the trend of unemployment is flattening out or even starting to edge down, but we must continue to improve our cost – competitiveness if we are to secure a lasting and significant reduction."

But Mr Len Murray the general secretary of the Trades Union Congress said the figures showed that economic recovery was as far away as ever.

## Labour market 'must adapt'

BY JOHN LLOYD, INDUSTRIAL EDITOR

A FUNDAMENTAL shift in attitudes and practices in the labour market is called for in a confidential Treasury document.

The document is a long-awaited contribution to the debate next Wednesday in the National Economic Development Council, which includes representatives of the Government, employers and trade unions.

It examines the question: where will the new jobs be? and places emphasis on the need for industry and the labour market to adapt to technological change.

The document does not indentify growth sectors. It makes clear that Government cannot determine how changes are made, or the number of jobs, but "can only provide the right framework of policies in which economic change will take place more smoothly."

Among the recommendations are that employees should be ready to accept moves across country to places where jobs were available, accept more flexible working hours and new forms of employment contracts.

## R-R fails to win U.S. aero contract

PRATT AND WHITNEY, the U.S. aero-engine maker, has won a $210m contract to power 20 Boeing 757 airliners for Northwest Airlines, at the expense of Rolls-Royce, the only other company to bid for the contract.

Rolls-Royce, the state-owned UK aero-engine company, lost the order despite the efforts of Sir William Duncan, the chairman, who visited the U.S. last week.

The order for the airliners, worth more than $800m including spares, is the largest placed with Boeing this year in terms of aircraft numbers.

Rolls-Royce lost the order despite the favourable dollar-sterling exchange rate for British exporters and the certification of the E4 version of its 535 engine on Wednesday, months ahead of Pratt and Whitney's 2037 engine.

● WORKERS at the Shell UK oil refinery at Shellhaven, Essex, voted yesterday to accept a revised pay offer and to end a four-week-old strike. Talks will be held today at the larger refinery at Stanlow, Cheshire, where about 2,400 workers have been on strike for more than six weeks in pursuit of their pay claim.

● DIAMOND Shamrock Chemicals of the U.S. is cutting 200 jobs in the Manchester area as part of a reorganisation of European activities.

● PAKAMAC, the Manchester-based company whose plastic raincoats have been keeping the British dry for more than 25 years, has gone into receivership. The company has not made a profit since 1977.

## Indefinite stoppage called for British Shipbuilders' yards

BY DAVID BRINDLE, LABOUR STAFF

A NATIONAL shipbuilding strike is again on the horizon. Union leaders yesterday called an indefinite stoppage in all British Shipbuilders' yards from January 6.

The call for industrial action came after the collapse of renewed talks on a proposed £7-a-week productivity deal – the prospect of which averted a strike threat a month ago.

The executive of the Confederation of Shipbuilding and Engineering Unions unanimously approved a strike and instructed members in the yards not to discuss any BS proposals for the changes in working practices, which would form the basis of any agreement.

Mr Jim Murray, chairman of the confederation's shipbuilding negotiating committee, said: "We now find that we are completely at the end of the road. BS is maintaining an attitude that is totally unacceptable to us."

The essential difference between BS and the unions is the question of the pace of change of working practices. The state-owned group says demarcation lines must be relaxed or broken almost immediately; the unions say they need much more time.

BS argues that the changes are fundamental to its survival plans and its ability to compete on equal terms with its north European rivals.

The corporation reiterated yesterday that there was no money available to pay higher wages unless there was improved productivity in return. It warned that a strike would "unquestionably" put jobs at risk.

Mr Graham Day, BS chairman, said: "A strike would be so destructive that I can't believe the great majority of employees would do that."

Union leaders, however, said that BS management was out of touch with reality in the yards and did not realise that long-established practices could not be changed overnight. Mr Murray predicted "chaos" if the BS proposals were enacted.

The renewed threat of a national strike raises questions about the union negotiators' earlier acceptance of the productivity deal in principle. It seems that they found it impossible to sell the idea to the shipyards once the details became known.

Delegates from the 23 yards gave short shrift to a draft agreement when they met to consider it last week, and Mr Murray and his fellow negotiators found they could make no headway at reconvened talks on Wednesday night.

The strike call has to be formally considered by each of the 17 unions in the confederation, but there are no plans for further meetings of delegates from the 60,000 workforce. A stoppage would commence three days after the return to work following the Christmas and New Year holiday.

BS, which has not suffered a national strike since 1977, faces trading losses of more than £100m again this year. The workforce has had no pay rise for 18 months.

Mr Maurice Phelps, BS board member for industrial relations, said unions appeared to think that changes in working practices could be achieved within years. British yards needed to secure agreement on changes within weeks or months. "A lot depends on the timing, and BS has not got time."

## Bordeaux wine label sold for £1,700

By Edmund Penning-Rowsell

FIRST-GROWTH Bordeaux wines made distinctly firm prices, if no individual records at Christie's in London yesterday in its last, finest and rarest wine sale of the year. Many of the buyers were American.

Due to a collector's demand for complete sets of the post-war Mouton-Rothschild labels, a single bottle of the off-vintage and little-known 1946 made £1,700.

Among the older wines, two bottles of Yquem 1921 reached £350 and three bottles of the exceptional Latour 1929 made £800. Three bottles of Yquem 1929 brought £520.

A dozen bottles of Mouton-Rothschild 1945, in their original case, went to £5,000 and second-growth Ducru-Beaucaillou 1945 sold for £580 a dozen.

Lafite 1949 brought £1,500 a dozen, followed by £2,500 for three double-magnums of the 1961.

A magnum of the rare Pétrus 1961 rose to £1,450. Other high prices for various Pétrus vintages included £1,550 for a dozen 1953, £820 for five bottles of 1959, £1,150 for five magnums of 1964, and £1,350 for a case of 1966.

● A Louis XVI porcelain-mounted bureau plat, made by Martin Carlin, which for over a century was part of the Russian Imperial collection, sold for £918,000 at Christie's yesterday to the London dealer Alexander & Berendt. It was the second highest auction price yet paid for a piece of furniture – a Weisweiler secretaire made £990,000 at Sotheby's in the summer.



## Steel users press for incentives

By Ian Rodger

BRITAIN'S main steel consumers, including BL Cars, Metal Box and Vickers, have added their voices to the growing chorus of industrial interests seeking a government stimulus to capital investment.

The 34 per cent decline in investment in manufacturing and infrastructure since 1979 must be reversed if industry is to remain competitive, the British Iron and Steel Consumers' Council argues in its latest brief to the Department of Trade and Industry.

"Our members have made remarkable improvements in productivity and manning practices in the past four years, but we are still waiting for the Government to deliver on its promise of a recovery in demand," Mr John Safford, director of the council said yesterday.

A delegation had met Mr Norman Lamont, Minister of State for Industry last week to press their case, but Mr Safford said the minister was not sympathetic to pleas for a shift in the Government's economic policy balance.

## Plessey invests £50m in microchip development

BY GEOFFREY CHARLISH

PLESSEY IS to spend £50m on a new plant at Towcester, Northamptonshire and at associated research laboratories at nearby Caswell to produce integrated circuits, or chips made from a material called gallium arsenide instead of the usual silicon.

Gallium arsenide, made from a by-product of the manufacture of aluminium which is then combined chemically with arsenic, is mainly used in specialist – and expensive – applications in the defence, telecommunications and computer industries. But it may one day entirely replace silicon, now the main material for electronic components.

Circuits made from it are faster in operation than those formed from silicon, which means that a computer incorporating gallium arsenide can perform many more calculations a second. Because of this, it will be used for the next generation of supercomputers.

In addition, it can operate at higher radio frequencies, allowing more widespread use of integrated electronic circuitry to be used in microwave applications such as radar and satellite communications.

Plessey, which claims a world lead in this technology, is seeking Department of Industry backing for the project, and is setting up a subsidiary called Plessey Three Five Group to exploit the technology in world markets. The company hopes to sell £40m worth of gallium arsenide components by the end of the decade.

The main uses of gallium arsenide are likely to be in components for domestic satellite receiving equipment, radar, fibre optic communications, satellite navigation and electronic warfare. Chips made from the material make possible small, cheap components to supply to the small but growing number of UK manufacturers of this equipment. Equipment makers would otherwise have to import these key components from the U.S. and Japan.

The present Caswell workforce of 570 will grow to nearly 800 over the next five years as the new plant comes into full operation.

## European venture capitalists in search for UK entrepreneurs

BY TIM DICKSON

MORE THAN 100 European venture capitalists arrived in a London hotel yesterday to court a small group of successful British entrepreneurs.

The occasion was the Financial Times/British Venture Capital Association "Venture Capital Financial Forum" – a novel experiment aimed at matching financial institutions with young expansion-minded companies looking for money.

Delegates at the conference first listened to formal presentations from 11 businesses, ranging from a recently-listed computer maintenance specialist and a couple of microcomputer distribution and software companies to a manufacturer of composite industrial valves and an operator of American Theme Restaurants and Bars.

The hard bargaining, however, came after lunch when the entrepreneurs withdrew to private rooms and continued the discussions on a more informal basis with those venture capitalists interested in getting down to essentials.

Most of the forum participants – in all 21 companies, will have made their pitch by the time the conference ends this evening – are "venture-backed" companies seeking further funds to finance the next stage of development. The British Venture Capital Association hopes they will serve as examples to other budding entrepreneurs, while Mr David Trippier, the Government's Small Business Minister who opened proceedings, emphasised the likely effect on the financial community. "I firmly believe that the ability to show investors the first glimpses of success at such an early stage in the venture capital cycle augurs well for the future."

Discussing the constraints on venture capital in Britain, Mr Trippier described the "demise of the entrepreneur" as "perhaps one of the tragedies of post-war Britain." But he added that while it was the Government's responsibility to ensure that the right conditions prevailed to encourage his return, "it is clear that big business has a vital role to play as well."

FINANCIAL TIMES
VENTURE CAPITAL
CONFERENCE

Mr Trippier welcomed the growth of local enterprise agencies (many of which are sponsored by large firms) and referred to other areas of co-operation such as research and development. "R and D programmes of the larger firms throw up many possibilities which are not exploited either because of lack of funds or because they fall outside the mainstream of the company's business. ... I would urge large firms to look even more closely at the possibilities for technology transfer."

Mr Trippier said he was sure successful results would bring more large companies into venture capital and he urged pension funds and insurance companies "to reconsider the role of small firm equity in their portfolios."

Among the company executives making their presentations yesterday, Cawdor's Mr R. Jones described how the APA Venture Capital Fund and the NEB had injected £800,000 for a 30 per cent stake in November last year. The Surrey-based business, however, which distributes microcomputers and designs and manufactures software, in future need money to strengthen its dealer network and increase spending on R and D.

Dr Peter Barnwell, managing director of Salisbury-based Corintech, described how he had formed his company to design and manufacture thick film hybrid microcircuits and how a separate subsidiary had been set up to manufacture semi-custom-integrated circuits. Profits had risen steadily since start up in 1978, but more capital was required to finance a new factory. Corintech plans to go public in 1985.

Mr Ashley Ward, managing director of Intelligence (UK), a microcomputer distribution and peripheral manufacturing business, commented that venture capital in the U.S. was "far too easy" to raise. "Companies get huge amounts of backing before they even begin to trade. In my opinion, that is a very dangerous investment."

By contrast Mr Bob Payton, managing director of My Kinda Town (operator of American Theme restaurants and bars including the London Chicago Pizza Pie factory), suggested that "venture capitalists need to roll the dice."

Mr Payton criticised those City institutions which failed to back his enterprise and which asked to see assets. "In the service business, your only assets are satisfied customers."

Mr Payton said he was at the Forum because "there must be people in this country with ideas that are not in aerobics or electronics."

Other participants were Mr K. G. Meadows, managing director of DPCE Holdings, Mr M. Kaye, chairman of Felton Fluid Handling, Mr J. D. Emanuel, marketing director of Flyda, Mr R. F. Tavener, chief executive of Stone International, Mr R. A. Young, chairman and managing director of Systematics International Group of Companies, Mr S. M. Evans, chief executive of Tag Radionics, and Mr D. Taylor, chairman of Thandar.

# FINANCIAL TIMES SURVEY

Friday December 2, 1983

# French Banking and Finance

**Although French banks have been heartened by the growing governmental realisation that nothing should be done which could interfere with their general standing on foreign capital markets, there are nevertheless disquieting developments which pose great questions over the wisdom of last year's state take-overs.**

## Pressures mount on all sides

**TWO and a half years into the Mitterrand Government, and more than 18 months after last year's sweeping nationalisations, the French banking system presents a number of contrasts which verge on paradox.**

The country's top banks are among the biggest in the world—and, measured on return on assets, the least profitable.

They are now more closely controlled by a Socialist Government which, despite the shift towards economic austerity over the past year, is still hardly the darling of the international financial community. And yet they have kept their Triple A ratings on Wall Street at a time when some big New York banks have been losing theirs.

By DAVID MARSH in Paris

Finally, the popular outside conception of the state-owned banks might be that of a monolithic group staffed by faceless yes-men moving harmoniously in line with the latest administrative directives. But even nationalised bankers have a penchant for arguing with ministerial officials.

In a gloomy economic environment, where plant closures and bankruptcies are increasing each day, bankers—particularly in a nationalised system—can only expect pressures from all sides.

Although by far they do not win all their battles, French nationalised bankers have in fact adapted quickly to their role as skilled actors in increasingly Byzantine power-play with the Government, company bosses and trade unions over industrial restructuring.

"At least the worst has not happened," is how one senior Paris banker sums up the state—so far—of post-nationalisation banking.

The Government has retreated from overt use of the banking system to shore up too many obvious lame ducks or plough funds into sectors earmarked for development by Socialist committees.

M Jacques Delors, the Finance Minister, who keeps a protective hand in front of the banks' pockets to ward off raids from Left-wingers, has seen his overall position in economic policy-making greatly strengthened this year.

His banking reform programme has been a model of moderation which infuriates some in the Socialist/Communist coalition.

The "realistic" approach to the use of the financial system in industrial development has been boosted considerably by the appointment in March of M Laurent Fabius as Industry Minister—a man who expounds his belief in "pragmatism" at every turn and is not afraid to advocate in public job losses in certain sectors.

And the banks have been heartened by the growing govermental realisation that nothing should be done in France which could interfere with their general standing—and their ability to raise money for the state—on foreign capital markets.

These signs of comfort must be balanced, however, against disquieting developments which at the very least pose great question-marks over the wisdom of last year's state take-overs.

● Nationalisation of key commercial banks, together with the halt declared to the previous government's gradual programme of injecting some private capital into the Big Three banks (already taken over in 1945), has aggravated the banks' serious problems of insufficient equity capital.

The banks are sadly under-capitalised by international standards. The Government has no spare funds to help them out. All the budgetary aid for the newly nationalised sector (apart from emergency capital increases this year for two loss-making banks, Credit du Nord and Banque de l'Union Europeenne) has been channelled into the industrial companies whose needs are more pressing.

So the banks are forced into the second-best solution of declaring higher provisions (which increased sharply last year, on both domestic and international risks, and are bound to do so again this year) to help offset capital inadequacy. This leaves the government with even less tax and dividend income from the banks (needed, among other things, to help pay off, over a 15-year period, the inflated costs of the nationalisation programme)—and exacerbates its budgetary problems.

### Vicious circle

The Finance Ministry is trying to break through the vicious circle by encouraging the banks to issue non-voting loan stock on the bourse (*titres participatifs*)—but this will go only a small way towards solving the problem.

● By cutting off from their original shareholders some of the smaller banks taken over last year, the Government has exacerbated the financial problems of these institutions—many of which (the former Rothschild bank is only the most striking example) were in poor shape to start with.

Interestingly enough, the decline of some of these banks has been much to the advantage of the private foreign bank community in areas like wealth management. The Finance Ministry wants to continue absorption and restructuring to cut down the unwieldy collection of 36 banks taken over last year by around half, grouped into seven or eight major networks.

But the restructuring will be expensive. The Government was clearly not able to see at the time of nationalisation the full state of the smaller banks' books—including the consequences, for example, of ill-judged property deals.

But it could have worked out reorganisations more quickly, before putting into place new management who now, in many cases, are opposed to the necessary shake-ups.

So far, the nationalisations have clearly had no overall direct effect on the big banks' earnings. Overall, commercial banks' net profits fell last year for only the second time in 30 years; they could fall again and certainly will not show much improvement this year. Provisions, especially on domestic risks, will need to be strengthened further. But 1983 operating profits may be less depressed than earlier feared because of continued high interest rates, the less severe effect this year of the "encadrement" system of credit ceilings and buoyant earnings from the booming Paris financial markets.

Many of the skeletons in bankers' parlours unearthed to explain last year's profits drop (Credit Lyonnais' well-publicised difficulties with the Slavenburgs bank in Amsterdam, or the Credit du Nord or Rothschild cases), however, date back to well before nationalisation.

Additionally, the payments difficulties of corporate borrowers at home and sovereign states abroad would clearly have hit the banks whether nationalised or not.

Likewise, the relative drop in importance of Paris as an international financial centre during the past two years has been a consequence not so much of the nationalisation but of the weakness of the franc and the tightening of exchange controls—although here the same drop would probably not have taken place had the Socialists not taken over.

As far as the future impact of nationalisation is concerned, there are two schools of thought—optimistic and pessimistic—which are both perfectly reasonable.

### Resistance

The first is that the bank chairmen have learnt during the past 18 months to improve their resistance to political pressures for unsound banking practices—and that such pressures (which would have been there anyway, even under the government of M Raymond Barre) have become less insistent because of the more realistic tilt in government economic policy.

The second is that—whatever the good intentions of M Delors or the conviction of bankers that they are indeed acting autonomously—insidious pressures for a lowering of standard banking prudence must inevitably exist when the important banks are almost all state controlled.

According to this argument, the only answer to the problem is to hand the banks back to private ownership, promised by the Opposition for after the next elections.

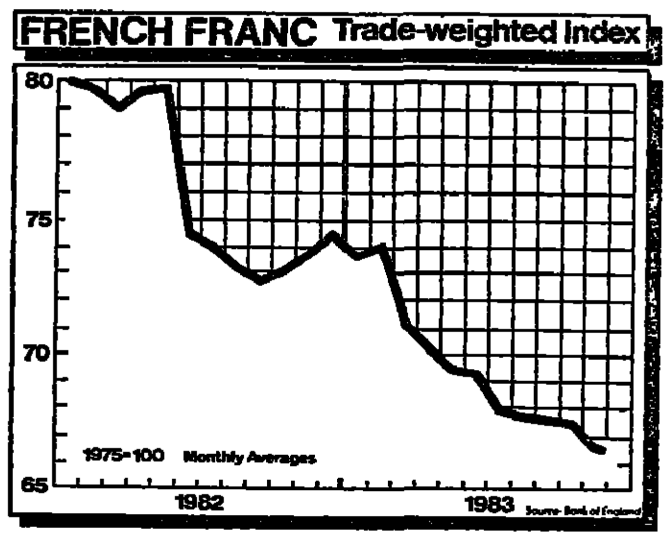
By then, at least, the nationalisation profit and loss account should be more clear.

**How the French banking system is made up**

| | Deposits % | Credits % |
|---|---|---|
| Commercial banks (Bnqs. inscrites) | 36 | 42 |
| Bnqs. populaires | 4 | 3 |
| Credit Agricole | 16 | 12 |
| Credit Mutuel | 4 | 2 |
| Caisse des Depots and savings network | 31 | 34 |
| Others (including Postal bank) | 9 | 7 |

Source: French Banking Association.

FRENCH FRANC Trade-weighted index




President Mitterrand: retreating from an overt use of the banking system to shore up too many lame ducks.

CONTENTS



**THE TOP TEN FRENCH BANKS**

| | | Assets $bn* | World listing† | |
|---|---|---|---|---|
| 1 | Banque Nationale de Paris | 109.9 | 3 | (3) |
| 2 | Credit Agricole | 98.5 | 4 | (4) |
| 3 | Credit Lyonnais | 96.7 | 5 | (5) |
| 4 | Societe Generale | 85.7 | 9 | (7) |
| 5 | Banque Paribas | 51.6 | 32 | (32) |
| 6 | Banque Indosuez | 27.2 | 71 | (75) |
| 7 | Credit Industriel et Commercial | 26.0 | 74 | (70) |
| 8 | Groupe des Banques Populaires | 18.7 | 97 | (81) |
| 9 | Banque Francaise du Commerce Exterieur | 17.3 | 105 | (114) |
| 10 | Credit Commercial de France | 15.6 | 116 | (115) |

* Assets less contra accounts. † 1981 figures in parentheses.
Source: The Banker, 1982 figures.

The multiplicity of corporate clients in payments troubles is causing concern

# Role in industry increasing

GOVERNMENT entreaties, often backed up by direct political pressure, for banks to take a greater share in efforts to back industrial development have been repeated, on and off, in France, for the last 20 years.

But because of the extension of state ownership last year and the severity of the economic crisis, the banks have now been drawn more deeply than ever before into overall government policies aimed at industrial restructuring.

On the one hand, they are taking part with growing frequency in the increasingly sophisticated power games taking place over debt restructuring accords for troubled companies in areas like steel, engineering or textiles. On the other, they are being encouraged to play a greater role in financing development of new industrial sectors. Bankers say that it is the multiplication of cases of corporate clients in payments trouble, rather than their individual sizes, which is worrying. The result is increased provisions on doubtful lending risks (bound to increase again sharply this year) together with greater involvement in rescue packages to deter debts.

Up to now, the banks have not had to cope with a business failure of the size of say, the German IBH construction group which has just sought court protection from creditors.

None the less, the hard-fought financial rescue packages put together over the last few weeks for two top French engineering groups, Creusot-Loire and Manurhin, give an indication of the extreme pressures involved.

## Hard battle

In both cases, the banks battled hard with shareholders and government agencies to avoid rescheduling debt and putting up new credit on over-concessionary terms.

But in both cases—involving well-publicised threats from the two groups of imminent bankruptcy proceedings and large-scale job losses—the banks knew that their room for manoeuvre was distinctly limited.

Even though their lobbying for the best (or least bad) terms in such corporate rescues often can only take the form of political shadow-boxing, banks' reticence to become dragooned into such deals is well-founded.

They know that rescue packages like these given the gloomy state of much of France's heavy industry, have a habit of repeating themselves. Two cases in point are those of Dunlop and Poclain, for which the banks agreed financial bail-outs at the end of last year but where the cap is now being passed around again because of fresh cash crises.

M Jacques Delors, the Finance Minister, has seen his overall position in economic policy-making greatly strengthened this year. Above: M Delors surrounded by reporters as he leaves a meeting of EEC Finance Ministers

Additionally, opposition to industrial restructuring which is not based on clearly-thought out economics can certainly help bring changes in government policy.

Last year's controversial FFr 6bn of capital funds and credits for state-owned industries, into which the banks were pressed shortly after the nationalisations in February, has not been repeated, partly because of the outcry it caused.

And the banks generally have been comforted by the more pragmatic tilt to the Government's industrial policy this year—in March—although cases of government intervention, needless to say, are still very thick on the ground.

Statistics just issued by the small business financing body, Credit d'equipment des PME, give an indication of the size of the challenges on the two front of corporate failure and creation. Business failures during the first eight months of the year rose 14 per cent to 15,638. But 57,070 new companies were registered during the same period, up 6.5 per cent from last year, when business creation actually dropped.

Of course, newly-born companies do not compensate by far for jobs lost in bankruptcies, and also many just-started business go bust within a few months without their failure ever being registered.

But the Government, which has tried to involve the banks more in promoting business starts, regards as promising the 18 per cent increase in newly-created industrial companies so far this year—the highest growth rate out of the different company sectors covered by the Credit d'equipement figures.

## Work load

The inter-ministerial committee, Ciri, which acts as a liaison group with banks and industrial companies to try to aid companies in difficulties, has seen its work load increase over the past year as a result of the economic slowdown.

Officials say that the committee still has on its books around 120 companies (around half of which have filed for bankruptcy) left renting more than 60,000 employees. The number has not risen much over the year—but the average size of the company and the complexity of the cases have increased.

The lame ducks include Dunlop, which has been jettisoned by its parent company Dunlop Holdings in an affair which has caused much ill-feeling in France; Motobecane, the long-trouble motorcycle company; Gantier, the big furniture company which went bankrupt earlier this year; and the stricken French subsidiaries of the IBH group.

Ciri tries to work out solutions for companies in distress based on well-founded industrial plans.

"We don't have any conflict with the banks so long as we stick to that rule—we only deal with credible projects," says a Ciri official.

Examples this year of arranged Ciri "marriages," with the complicity of banks and industrial shareholders, include the absorption of struggling engineering group Sambron by crane-maker Potain, the link between Linde of West Germany and the stricken Fenwick Manutention forklift truck maker, and the takeover of Richier, the construction equipment company, by the Poncin hydraulic shovels company.

But precisely because of the recession, suitors for bankrupt companies are becoming harder to find. Ciri believes the banks could do more in this area by stepping up efforts to find potential industrial buyers among their clientele.

On the front of business creation, the banks are being perpetually prodded by the Finance and Industry Ministries to do more to encourage corporate start-ups, and to help develop new technological sectors as part of these efforts.

The banks are taking into their own funds 50 per cent of the cash collected from the Government's new savings scheme, Cedevi, aimed at spurring industrial modernisation, which is being collected through the banking network.

Because of the tax-free yield, more than FFr 25bn has been colected so far in Codevi accounts—much more than expected when the scheme was launched in October. Banks like Societe Generale, which has a traditional clientele among heavy industry, aim to channel Codefi loans into areas like biotechnology in an effort both to help industrial development and win new customers.

## Loans

Although it is asking banks to step up low cost credits to companies in the form of substantial loans, the Government has stopped short of trying to steer banks into taking direct equity participations, one of the ideas favoured by Socialist thinkers.

There have been exceptions, notably Poclain, where the banks as financial institutions now have a stake of around 25 per cent after this year's rescue package, and textile group Boussac. But in general officials agree that taking stakes is not the banks' job—if only because their own share capital is far too weak.

The lack of a U.S.-style pool of venture capital to boost small promising businesses is however a clear weakness in France's industrial structure. Some banks run venture capital operations but these are often small in size or (as in the case of Paribas' celebrated technology funds) geared to foreign investment.

The Government is trying to generate home-based risk capital through specialised institutions, such as Sofinnova, run by Credit National, or Sofineti, a joint venture just set up, again under the aegis of Credit National, to channel funds into medium-sized companies in advanced electronics and telecommunications sectors.

The Government's Industrial Development Institute (IDI) is also exploring a link-up with the Suez financial group to channel capital funds into expanding companies.

Encouragement of banks and financial institutions to take a greater interest in industry's capital needs, rather than simply supplying companies with credits, is closely linked to the government's strategy for expanding the importance of the financial markets.

Companies backed by Sofineti, for example, after a few years will be encouraged to offer shares on the newly-inaugurated over-the-counter section of the bourse. But after years of half-hearted, or sometimes downright neglectful courtship, there is no doubt that Government attempts to improve match-making between banks and industry will be a very long haul.

**David Marsh**

# Share and bond markets enjoy remarkable revival

THE PATRONAT, the French employers' federation, called in the spring for 1983 to be the Year of the Enterprise.

In view of the rising tide of company bankruptcies, it has hardly lived up to that title. But, at least as far as the booming Paris stock market is concerned, 1983 has earned the accolade of the Year of the Equity.

A few statistics sum up the extraordinary performance of both the share and the bond markets this year. They show that the Socialist Government, which has launched a series of measures to redirect French savings away from traditional non-market outlets like property, gold and savings deposits into stocks and shares, has had at least preliminary success in changing investors' behaviour.

Whether the change is durable remains to be seen. But at least the financial markets now look fundamentally a lot stronger even than after the series of reforms initiated by the Barre government. And a start has been made in correcting French savers' traditional dislike for channelling funds into industry—an attitude which for many years has been at the root of basic weaknesses in the country's industrial fabric.

## Big jump

The figures indeed show a remarkable revival compared with the violent bourse collapse sparked off by President Mitterrand's election victory in May 1981.

The Paris equity market index (CAC General) this year has risen more than 40 per cent. Turnover in French equities this year is up by about 30 per cent from 1982, making a jump of 37 per cent from the depressed 1981 figure.

Aided by the high real interest rates being offered by borrowers, new bond issues in Paris for 1983 look likely to spurt to around FFr 180bn from FFr 154bn in 1982 and FFr 107bn in 1981. Bond market turnover is up 64 per cent from last year, reporting a rise of about 120 per cent from 1981.

**BOND MARKET: STRUCTURE OF ISSUERS (figures in FFr bn)**

| | 1982 | 1983† |
|---|---|---|
| State and local authorities | 46.7 | 44.6 |
| Public services | 32.9 | 31.5 |
| Industrial and commercial sector | 21 | 21.3 |
| Financial institutions | 53.2 | 44.9 |
| Foreign borrowers | 1.5 | 1.4 |

† Nine months.

Source: Credit Lyonnais.

**BOND MARKET ISSUES IN PARIS**

| | |
|---|---|
| 1977 | FFr 48.1 bn |
| 1978 | FFr 57.1 bn |
| 1979 | FFr 64.7 bn |
| 1980 | FFr 110.3 bn |
| 1981 | FFr 106.7 bn |
| 1982 | FFr 154.3 bn |
| 1984 (first nine months) | FFr 143.7bn. |

Source: Credit Lyonnais

New share issues have also spurted (although still slender by international standards) reaching FFr 6bn in the first nine months of 1983.

These new issues, together with the overall share market rise, have taken bourse capitalisation to around the FFr 280bn mark, helping to make up for the unhappy slump in capitalisation to around FFr 220bn from FFr 250bn after the wave of nationalisations in February 1982.

Last but not least, the new over-the-counter market (the so-called "second market") launched in February to encourage small unquoted companies to float a portion of their shares with the public, has been an outstanding success so far.

A total of 22 new companies look likely to have come to the second market by the end of the year (both in Paris and on provincial stock exchanges), with a total capitalisation of FFr 4bn. This is about 50 per cent up from the first year issuing target set by the Paris stockbrokers association in the New Year.

The Paris bourse is still a minnow by international standards, of course, and has a long way to go to close the gap with West Germany, let alone with London or New York. As an indication of the catching up still to be done, only about 2 per cent of all French companies are quoted. The stockbrokers' association believes that potential unquoted candidates for the "second market" alone total between 400 and 600.

And the wholesale nationalisation of key banks and industrial companies last year—a move which has loaded the Government with almost absurdly-high financial burdens—at a stroke deprived the bourse of some of its glamour stocks. As a sign that the Government has since been forced to redirect its attention to the bourse, the nationalised groups—first the industrial companies, now the banks themselves—are being encouraged to issue non-voting loan stock to raise from the market urgently-needed capital.

There have been several reasons for this year's spurt on the financial markets.

First, the rally has partly been a "catch up" following the depressed years of 1981 and 1982 when the bourse, still getting over the shock of the Socialist victory, failed by far to match the buoyant performance of Wall Street and other foreign markets.

Second, the tax incentives for equity and bond investments introduced at the beginning of the year — continuing and enlarging the "Monory Law" of the previous administration — have been an important factor behind the firm tone. These incentives, together with the depressed state of property and gold and harsher tax treatment of alternative investments such as treasury bonds, have spurred a fundamental change in many investors' preferences, according to Paris brokers.

## Productivity

Third, many quoted companies — either oriented towards exports, or in non-cyclical sectors like high technology, food and drink and cosmetics, or (in many cases) both — have escaped the domestic recession.

Additionally, other companies, even in hard-pressed areas like engineering or textiles, have used the economic downturn to make sweeping productivity gains and greatly improve their recovery chances. These two groups, accounting for about one-third of quoted companies, have led the equity upturn.

Fourth, the change in the Government's economic policy towards a greater understanding of industry's financial needs — even though action still lags far behind the moves demanded by the Patronat—has heartened investors.

Even U.S. and UK pension funds and other foreign institutions have ventured on to the Paris market this year — sometimes with large enough purchases (in what is still only a thin market) to sour significant price advances.

**David Marsh**

# FRENCH BANKING AND FINANCE III

**Spurred on by the increasing cost of cheque clearance, the banks are bringing new technology directly to the public eye with more automatic telling machines and cash dispensers**

## Banks speed up automation plans

FRENCH BANKS are deploying large amounts of cash and some of their best brains to come up with electronic means of short-circuiting an annoying customer habit which is costing the industry a collective FFr 20bn a year—the writing out of cheques.

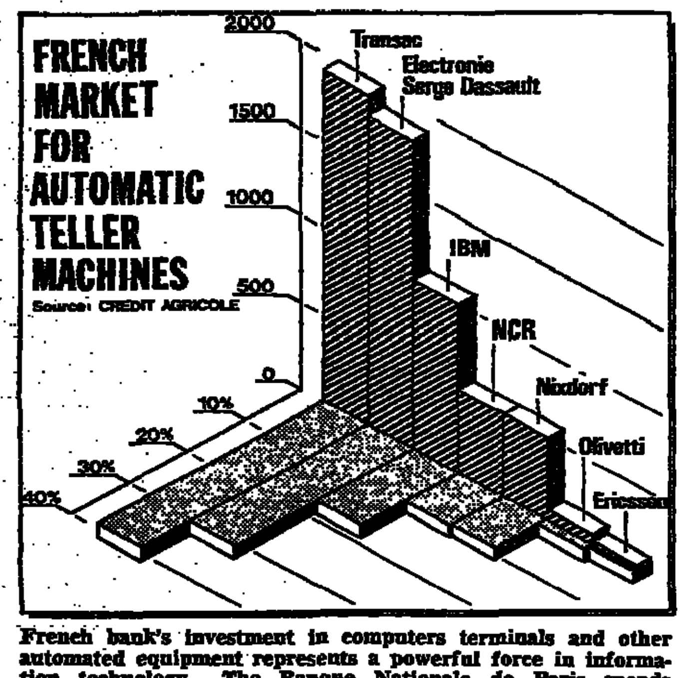
Massive investments by the banks during the last decade or so in data processing and telecommunications to speed up and automate funds transfers within the banking system have largely gone unnoticed by customers.

Now, spurred on by the increasing costs of cheque clearance and by the general electronics revolution, the banks are bringing new technology directly to the public eye.

Banks are speeding up introduction of automatic telling machines and cash dispensers, France is already reckoned to be, along with the UK, the European leader in this field. The number of self-service units installed is expected to continue to rise rapidly, according to a Credit Agricole study, to 7,300 machines at end-1984 from around 5,800 at present.

At the same time, several different experiments are going on around the country with sophisticated point-of-sale terminals installed in retail outlets under which shoppers can pay for purchases by directly debiting their bank accounts, using coded plastic cards.

As befits a country where the percentage of households owing a bank account—around 90 per cent—is one of the highest in the world, some of the experiments use technology which is unrivalled internationally.




**French bank's investment in computers terminals and other automated equipment represents a powerful force in information technology. The Banque Nationale de Paris spends annually around FFr 750m on information equipment. The figures are FFr 470m for Credit Lyonnais and FFr 400m for Societe Generale.**

**The big mainframes used in banks' computing centres—where IBM and Bull (to a lesser extent) are firmly installed—are now taking up a decreasing share of budgets as the trend continues towards decentralised equipment. For Credit Lyonais, for example, the central computer share of the budget is now only 20 per cent, while terminals, microprocessors and other peripheral equipment makes up the other 80 per cent.**

### Decision needed on technology choice

But France faces the danger of wasting resources unless a decision is taken relatively soon on which technology should be fostered. The choice is between cards fitted with conventional magnetic strips, or the more advanced "smart cards" with their own "memory" thanks to the embodiment of a microprocessor.

The "smart card," invented by a Frenchman in 1975, has potentially wide-ranging applications which go well beyond the sphere of banking, and could be a great export winner. In particular, it offers the greatest security against fraud.

The French Posts and Telecommunications Ministry favours this technology as the preferred path to the all-electronic age of the 1990s, when (according to the plans at any rate) the combination of "intelligent" terminals and videotex systems will enable banking, together with paying bills, booking travel and interrogating data banks, to be carried out from home.

But development of the "smart card" has been held up by high costs and industrial difficulties. The Telecommunications Ministry is launching a multi-service "smart card" next year for uses like paying for phone calls, but the Government has just turned down the technology as a means of settling bills for France's planned new pay TV channel.

The "smart card" experiments, launched in autumn 1982, are taking place in Lyons, Caen and Blois. A total of just over 120,000 cards should eventually be distributed in the three cities, but the projects have got off the ground only slowly because of hold-ups in card fabrication and distribution.

In electronic banking experiments using conventional credit cards with magnetic strips, banks and retailers in Aix-en-Provence have started an off-line point-of-sale system (where there is no direct connection between the shop terminal and the bank).

Shoppers pay for purchases by passing their cards, equipped with the identifying strip, through a groove in the counter terminal.

The shopkeeper punches out the amount of the purchase on the terminal keyboard, while the customer records a confidential code number on a separate keyboard attached to the main terminal.

### Function of the 'smart card'

This confirms the transaction in the same way as a signature on a cheque. The difference with the "smart card" is that in the latter case, the card itself contains details of the customer's account. It is charged up each month with a maximum limit which can be spent, and debits itself automatically as a result of the microprocessor function. The "smart card" thus acts as a self-entrying electronic chequebook and—since it obviates the need for a code number—it offers more protection against fraudulent use.

At Saint-Etienne, a similar system to the Aix experiment, has been started this spring with standard credit cards affiliated to the Carte Bleue network.

The novelty is that the system is "on-line"—meaning that counter terminals are linked to the banks' central computers for instant control 24 hours a day, which also cuts down on possibilities for fraud.

One factor which has impeded harmonisation of different banks' electronic payments systems up to now has been the rivalry between competing credit card systems. The majority of banks are grouped with the Visa-affiliated Carte Bleue (3.2m holders in France), while Credit Agricole and Credit Mutual are on their own with Eurocard, linked to the Eurocheque organisation.

Credit Agricole has been carying out its own point-of-sale electronic banking projects based on its own, widely-held Carte Verte credit cards. It plans to enlarge the system, started in Limoges, to many other areas by next year. It very firmly had nothing to do with the "on-line" Saint Etienne experiment.

A *rapprochement* between the two card systems is however in the offing which could lead to a harmonisation of the technologies involved.

Eventually, a universal type of credit card could be produced which would obviate the need for duplicate sets of counter terminals and funds transfer networks.

All the banks involved realise that harmonisation is necessary because of the costs of setting up electronic systems.

At stake for the banks is the enormous prize of reducing the costs of cheque clearance, estimated at FFr 5 to FFr 7 a cheque for more than 3bn cleared each year and growing at 10 per cent annually. But they are not willing to foot all the bill themselves. And retailers too are reluctant to pay heavy commissions for several duplicate transfer systems which will simply end up confusing customers.

M Jacques Mayoux, chairman of Societe Generale, which masterminded the Saint-Etienne experiment, has called for "a single payment card per customer, a single terminal per retailer—unification is more than just opportune, it is necessary."

Apart from the battle for technological harmonisation—which will inevitably call for compromise on all sides—the banks are also waging a publicity war to win acceptance from their customers of the new means of payments.

One nationalised bank, Credit Industrial et Commercial, has just started an advertising campaign—featuring a rather smug-faced boy beaming down from hoardings—to encourage 13 year olds to open electronic bank accounts.

Indicating the potential, about 18m French people are believed to have cards enabling cash to be withdrawn from machines. But a traditional reluctance to use cards for payments must also be overcome. Only about 10m transactions of this sort were made last year, putting France well down the international credit card league.

As a sign of the initial progress that can be made, the Saint-Etienne terminals are expected to be used for about 80,000 transactions during December, compared with only 12,000 during March when the system started up. But it is still a long way to go from here to the cashless society.

**David Marsh**



**Keeping a finger on the national financial pulse: M. Michel Camdessus, director of the French Treasury, who occupies one of the hottest seats in his country's civil service establishment. A profile of M. Camdessus, and other personalities,** **appears on page IV**

**The new Banking Law adds up to much-needed modernisation of the legal framework under which French banks operate**

## A key step in series of banking reforms

THE NEW French Banking Law, aimed to go into operation during the course of 1984, is one of the most important points in the series of banking reforms initiated since the change of Government in 1981.

The aim of M Jacques Delors, the Finance Minister, has been to bring about changes in the banks' operational structure and regulatory framework only gradually and after full discussion.

He remarked last month when bringing the banking Bill before the Senate, that the project's slow gestation period—stretching over two years—had been much too slow for some people. Certainly, the Left-wing of the Socialist-Communist coalition, there is much discontent that M Delors has not cast his net wider and deeper in shaking up French banking.

The Banking Law itself adds up to a much-needed modernisation of the legal framework under which banks operate, without making however any sweeping changes.

France's last full-scale banking law was passed after the Liberation in 1945. For the first time, the country's large mutual and co-operative banks are now being brought under the same regulatory umbrella as the commercial banks, although account will still be taken of the specific character of the different networks.

The legal unification is not quite complete, as the sprawling Caisse des Depots et Consignations, which accounts for around a quarter of all credits granted throughout France, is not included in the new framework.

### Supervision apparatus

M Delors defends this on the grounds that the Caisse is already subject to special parliamentary regulation.

Additionally, the new law overhauls France's banking supervision apparatus. The National Credit Council, an unwieldy 51-member group set up after the war, presided by the Finance Minister and linking representatives of diverse members and users of the banking industry, will be confirmed in its role as a purely consultative body. It will deal with general questions of credit and banking policy.

Precise matters of banking control will, on the other hand, be handled by a new Banking Commission meant to be relatively independent of government. It will be headed by the Governor of the Bank of France.

Since the state is now the principal banking shareholder, the aim is to separate the two functions of ownership and prudential control, which could otherwise lead to conflicts of interest.

The new Commission will have strengthened powers compared with those of the existing Banking Control Commission. It will have the right to extend its work to branches and subsidiaries abroad, and will also be empowered to impose fines and other penalties on wayward institutions.

Other parts of the banking law are designed to bring general legal requirements up to date with actual circumstances in France and abroad.

Electronic payment systems, for example, are to be formally recognised as a tool of banking, and consolidated accounts and other financial standards are to be enshrined in the statute book in line with directives from the EEC.

**David Marsh**

Reorganisation around larger institutions has not been welcomed everywhere, says **David Marsh**

# Merger of small banks gains priority

ONE OF the cornerstones of the Socialist Government's reform of the French banking system is the reorganisation of some of the country's numerous smaller banks around larger institutions or into new groups created by the merger of smaller banks.

The Government is essentially aiming at reducing the number of banking groups in France in an effort to resolve the structural problems of the French banking system and to help improve the operating performance of smaller banks.

At the same time, the reorganisation is also designed to set up new devices to help finance more effectively French industry, especially small- and medium-sized companies.

This small and medium business sector is a priority for the Government which sees in these enterprises one of the principal vehicles of future economic growth in France.

But this planned reorganisation has not been welcomed by everyone. Some smaller banks have indeed resisted or dragged their feet at government proposals to see them merge into large units.

### Attempt failed

A case in point is the government-inspired attempt to link together Banque Worms, the French investment bank, with Banque Vernes and Banque Parisienne de Credit.

This merger will now no longer take place. The Government had been keen on the merger which it had hoped would have led to the formation of a new group specially designed to aid small- and medium-sized industries and businesses.

Another Government engineered link-up, which this time has worked, is the new banking group centred around Credit Industriel et Commercial (CIC), the credit institution in which the large nationalised Suez group owned a 70 per cent share.

The stake of the Suez group has now been reduced to around 40 per cent with the government taking the majority share. CIC, which has received FFr 300m in new capital funds and is due to receive more by the end of the year, has absorbed Banque de l'Union Europeenne, formerly owned by the large private Empain - Schneider conglomerate.

### Successful

CIC has also been entrusted with a majority share and control in running a number of regional banks, including among others, Banque Regionale de L'Ain, Credit Industriel d'Alsace - Lorraine, Banque Scalbert-Dupont, which it owned before nationalisation following the victory of the French left in May 1981.

But perhaps the most successful link up between French banks so far has been the association between Credit Commercial de France (CCF), the large bank with widespread international activities, L'Europeenne de Banque, the former Rothschild bank renamed after nationalisation, and the Union de Banques a Paris (UBP).

The association, in which the three institutes will co-operate but retain their respective autonomy, is largely designed to help strengthen the former Rothschild bank which was in an extremely delicate state when the left nationalised it.

Indeed, M Michel de Boissieu, the chairman of L'Europeenne, was one of the main architects of the association.

The deal is one in a series of steps the new managers of the former Rothschild bank have been taking to revitalise the bank.

Other measures that have been taken include the sale of large property and shareholdings, all part of a spring clean to put the bank back on firmer ground.

**Paul Betts**

PROFILE: M. JEANCOURT-GALIGNANI

## Success abroad

" We are in the connecting business," says M Jeancourt-Galignani

BY admittedly meagre French standards, the profits of Banque Indosuez, the far-flung international banking offshoot of the nationalised Suez financial group, are exceptional. Indosuez has the best highest return on capital of any French bank, although its earnings are only 109th in the international league table. And, with around 70 per cent of profits stemming from foreign activities, Indosuez is reasonably well insulated from direct repercussions of the economic slowdown at home (although, as lead bank for the troubled Alsece engineering concern Manurbin, it has its domestic problem too).

M Jeancourt-Galignani, Indosuez's managing director, is in charge of ensuring that the bank's traditional overseas financing role in Asia and the Middle East is maintained in the post-nationalisation era.

Although No 2 in the hierarchy to newly-appointed Suez chairman, M Jean Peyrelevade, 45-year-old M Jeancourt-Galignani, having presided over Indosuez up to the state takeover, is the powerhouse behind the bank's day-to-day operation.

"We are in the connecting business," is the Jeancourt-Galignani slogan. The bank's aim, through its network of branches and affiliates in Europe and North America, on the one hand, Asia on the other, is to act as a bridge between East and West in financing international trade.

With a presence through Asia and the Middle East rivalled only by U.S. giants like Citibank, Indosuez believes it occupies a secure niche as a smaller bank offering international companies a more flexible service. As examples of the bridge-building strategy taken to almost bizarre extremes M Jeancourt-Galignani cites the bank's opening of a Helsinki subsidiary last year and its prospective move to set up a branch in Katmandu, which will make it (along with Citibank, moving in at the same time) the first foreign bank in Nepal.

Eager to make contact with export-oriented Nordic companies, Indosuez has made a special effort to set up shop in Scandinavia, its second most important area of foreign business in Europe after Germany.

At the end of last year, Indosuez took over a venerable but slumbering private Hamburg bank, Bankhaus Marcard, specialising in foreign trade financing. Development of the bank, linking up Marcard's Hamburg clientele and Indosuez's existing German industrial customers, is "going well." And Marcard, sheltering under the protective wing of a foreign shareholder, is protected from any fall-out from the Schröder Münchmeyer Hengst affair.

After a burst of foreign expansion in 1982, "there are now less places to open up in." M. Jeancourt-Galignani instead is concentrating more on developing the international network's prowess in service areas like foreign exchange dealing, treasury management and commodity trading.

The bank's net profits this year are expected to rise slightly in spite of less good results in areas like the U.S. and Hong Kong.

Although he admits he was worried at first about restrictions on foreign expansion after nationalisation, M. Jeancourt-Galignani says the French Treasury continues to authorise liberally international branch openings. In fact, rather too many French banks seem to be tempted by South East Asia's high growth prospects.

"It's a cliché to say it's easy to make money in Asia," he warns the potential newcomers. "It's difficult to make a decent living."

**David Marsh**

PROFILE: HERVE DE CARMOY

## Midland's top man

"A BANK should have three feet," says M. Herve de Carmoy, chairman of Midland Bank's French subsidiary, "these are services, trading and lending."

It is appropriate that "lending" comes last in the list. For Midland's French offshoot, in business only five years but now one of the biggest foreign banks in France, is making its profits (expected to be around FFr 70m pre-tax this year) increasingly out of expanding into the financial services area.

French franc credit business is notoriously unprofitable for foreign banks in France. Lacking widespread retail networks, they have no access to cheap deposits to offset the high cost of money market finance. An additional restriction is forced by the highly restrictive credit ceilings under the French authorities "encadrement" system.

### Expansion

Having arrived as a latecomer in 1978 (previously, Midland held back from foreign expansion as a result of its links with the international Ebic group), the bank has a double burden — its "base" lending limits under the encadrement system are exceptionally low.

The answer, in Midland's case, has been aggressive expansion in areas outside traditional lending. Together with Societe Generale and the Lausanne-based Compagnie Financiere et de Credit, Midland has a 31 per cent stake in Banque Internationale de Placement, a highly profitable venture specialising in a diversified range of money market instruments.

As well as running mortgage lending and merchant banking operations, Midland is also active in insurance broking, management of private wealth (which has only just been started up but alone accounts for around FFr 6m of ure-tax earnings), property management, and real estate broking.

Basic lending is concentrated on 120 or so French subsidiaries of UK companies, which represent Midland's bread and butter French business.

Additionally, it works with a number of leading French companies, especially in their foreign operations (for instance with Pechiney in Australia, India and Canada. It also helped finance Renault's American Motors' acquisition).

**M Herve de Carmoy, chairman of Midland Bank's French subsidiary: a bank should have three feet**

M de Carmoy says Midland's late French arrival has been a factor helping to keep it out of joining consortia lending to domestic companies now going through the woes of recession. It is however involved in lending to Dunlop France, which has just filed for bankruptcy.

France is just part of his overall responsibilities — he spends 3½ days a week in London, 1½ in Paris—which include looking after Midland's overall activities in Europe, North America, Asia and Africa.

Because of the "encadrement" problems, "France is one of the most difficult of all these places," he says. But at last Midland and other foreign banks can enjoy an enhanced feeling of relative independence after last year's widespread nationalisations.

The banks' role in corporate lending should be to pass a judgment on the quality of an industrial project.

"But the nationalised banks are asked not to pass judgment —but to pass money," he says.

**D. M.**

PROFILE: MICHEL CAMDESSUS

## Hot seat at the Treasury

M Michel Camdessus, 50, director of the French Treasury since last year, occupies in his high ceilinged office in the Louvre Palace one of the hottest seats in France's civil service establishment.

With a range of responsibilities which include supervising counter-attacks against franc speculation on the foreign exchanges, chairing meetings with banks and Ministries to keep alive hard-hit industrial companies, and presiding over debt rescheduling at the Paris Club for debt-ridden developing countries, M Camdessus is in an almost unique position to keep a finger on the national and international financial pulse.

This he does with unfailing bonhomie. Paris club participants, for example, are hailed cheerily as "cher ami" when they turn up for their ever-more-frequent meetings. In spite—or perhaps because—of his pressing schedule, M Camdessus admits to a somewhat "disordered" character, and claims that he needs a protective secretary and well-organised aides to keep him in hand.

This romantic side to his personality may even be an asset in the interminable rounds of financial and political horsetrading to which M Camdessus by now is all too well accustomed both in France and—in fixing EMS realignments, for example—abroad. A Treasury Director in France has to be an old fox who knows the increasingly sophisticated committee rules of bluff and shadow-boxing.

"I have to have a Japanese ear—to listen to the silences. And I must have a large store of patience," he says.

In a complex industrial deal such as the saving of Creusot Loire from bankruptcy last month—which kept M Camdessus up to 2 am in the final round of meetings with banks—"the banks or the companies always complain that they are being violated. It's part of the game."

In such cases where the state intervenes to assure industrial restructuring, he says: "We carry out the impossible to make sure that—in spite of all the difficulties—the chosen industrial arrangement is a healthy one."

M Camdessus has to be a master of the chairman's art of placing discreet pressure on participants to reach a solution. One of his predecessors, M Jacques de Larosiere, now managing director of the IMF, has learnt his craft well enough to exert financial arm-twisting on a global scale in encouraging banks to lend to problem countries. The present Treasury director says that in France the pressure is more "refined and imperceptible" than that needed with international banks.

"With the nationalised banks, the language, the message, is finer—people are more familiar with the methods."

**D. M.**

PROFILE: DAVID DAUTRESME

## Tough task at Credit du Nord

M DAVID DAUTRESME, the young (49) and straight-talking chairman of Credit du Nord, one of the largest banks taken into state ownership last year, comes from a stable that has now provided three of France's top state-owned bank chiefs.

He is an ex-colleague at Credit Lyonnais of M Jean Deflassieux (now the chairman of the bank) and M Jean Peyrelevade (the new head of Suez). But M Dautresme is the only member of the trio who owes his job not so much to political idealogy (the other two, although also career bankers, are Socialists) but by his purely professional credentials.

### Approach

M Dautresme's solid approach is underlined, almost American-style, by the tombstones for bank financing which he likes to show visitors. And he will be following the same down-to-earth line in trying to redress the fortunes of Credit du Nord, which has one of the worst profit records of the big French banks and is still suffering from a disastrous pre-nationalisation flirtation with the Ribourel leisure development company.

David Dautresme: straight-talker

Credit du Nord declared a FFr 59m net loss last year after large provisions on risks with Ribourel, in which it took a 50 per cent stake in November, 1981. The stake has now been increased to 100 per cent as part of efforts to "clean up" the company.

In spite of an anticipated 20 per cent drop in operating profits this year caused by worsened margins, M Dautresme predicts that the bank will be back in the black (slightly) for 1983. This is after a balance sheet restructuring by its two shareholders, Paribas (51 per cent) and the Government, which subscribed to a FFr 300m capital increase this summer to double the bank's exceptionally weak equity base.

M Dautresme, the author of a celebrated report on reforming the French savings system (much of which is now being put into effect by the Government), has undertaken to improve Credit du Nord's flagging performance compared with the other major French banks.

He is putting his cards on improving productivity and service to customers. The method is based on rapid introduction of computers and an infusion of more dynamism into the 10,000 staff—whose numbers, already in decline, are expected to carry on diminishing gently in coming years.

### Network

The bank, with a large retail network of 600 agencies, is traditionally geared to personal banking and business, with small and medium industry, where many companies, M Dautresme notes, seem to be resisting the economic downturn than the bigger ones.

An exception is its involvement with Poclain, where it is lead bank along with Credit Lyonnais. Credit du Nord was forced to take a 5 per cent stake in the hydraulic shovel maker as part of this year's rescue package.

The Dautresme aim is to add another 250,000 accounts to Credit du Nord's total of 450,000 over the next five years, increasing its share of the French banking market to around 4.5 per cent from 3 per cent. If he can manage that, M Dautresme will be a favourite for promotion whatever the hue of the next government.

**D. M.**

## BASE LENDING RATES

| Bank | Rate |
|---|---|
| A.B.N. Bank | 9 % |
| Allied Irish Bank | 9 % |
| Amro Bank | 9 % |
| Henry Ansbacher | 9 % |
| Arbuthnot Latham | 9 % |
| Armco Trust Ltd. | 9 % |
| Associates Cap. Corp. | 9½% |
| Banco de Bilbao | 9 % |
| Bank Hapoalim BM | 9 % |
| BCCI | 9 % |
| Bank of Ireland | 9 % |
| Bank Leumi (UK) plc | 9 % |
| Bank of Cyprus | 9 % |
| Bank of Scotland | Ω9 % |
| Banque Belge Ltd. | 9 % |
| Banque du Rhone | 10 % |
| Barclays Bank | 9 % |
| Beneficial Trust Ltd. | 10 % |
| Bremar Holdings Ltd. | 9 % |
| Brit. Bank of Mid. East | 9 % |
| ■ Brown Shipley | 9 % |
| CL Bank Nederland | 9 % |
| Canada Perm't Trust | 10 % |
| Castle Court Trust Ltd. | 9½% |
| Cayzer Ltd. | 9 % |
| Cedar Holdings | 9 % |
| ■ Charterhouse Japhet | 9 % |
| Choulartons | 10½% |
| Citibank Savings | ¶10½% |
| Clydesdale Bank | 9 % |
| C. E. Coates | 9½% |
| Comm. Bk. of N. East | 9 % |
| Consolidated Credits | 9 % |
| Co-operative Bank | * 9 % |
| The Cyprus Popular Bk. | 9 % |
| Dunbar & Co. Ltd. | 9 % |
| Duncan Lawrie | 9 % |
| E. T. Trust | 9½% |
| Exeter Trust Ltd. | 10 % |
| First Nat. Fin. Corp. | 11 % |
| First Nat. Secs. Ltd. | 10½% |
| Robert Fraser | 10 % |
| Grindlays Bank | ‡ 9 % |
| ■ Guinness Mahon | 9 % |
| ■ Hambros Bank | 9 % |
| Heritable & Gen. Trust | 9 % |
| ■ Hill Samuel | § 9 % |
| C. Hoare & Co. | † 9 % |
| Hongkong & Shanghai | 9 % |
| Kingsnorth Trust Ltd. | 10 % |
| Knowsley & Co. Ltd. | 9½% |
| Lloyds Bank | 9 % |
| Mallinhall Limited | 9 % |
| Edward Manson & Co. | 10 % |
| Meghraj and Sons Ltd. | 9 % |
| Midland Bank | 9 % |
| ■ Morgan Grenfell | 9 % |
| National Bk. of Kuwait | 9 % |
| National Girobank | 9 % |
| National Westminster | 9 % |
| Norwich Gen. Tst. | 9 % |
| R. Raphael & Sons | 9 % |
| P. S. Refson & Co. | 9 % |
| Roxburghe Guarantee | 9½% |
| Royal Trust Co. Canada | 9 % |
| Standard Chartered | ‖ 9 % |
| Trade Dev. Bank | 9 % |
| TCB | 9 % |
| Trustee Savings Bank | 9 % |
| United Bank of Kuwait | 9 % |
| United Mizrahi Bank | 9 % |
| Volkskas Intnl. Ltd. | 9 % |
| Westpac Banking Corp. | 9 % |
| Whiteaway Laidlaw | 9½% |
| Williams & Glyn's | 9 % |
| Wintrust Secs. Ltd. | 9 % |
| Yorkshire Bank | 9 % |

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6½%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account= 8.75%. Effective annual rate — 9.11%.



### Over-the-Counter Market

| 1982-83 High | Low | Company | Price | Change | Gross div.(p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 142 | 120 | Ass. Brit. Ind. Ord. | 120xd | — | 6.4 | 5.3 | 7.0 | 9.2 |
| 158 | 117 | Ass. Brit. Ind. CULS | 128xl | — | 10.0 | 7.8 | — | — |
| 78 | 57 | Airsprung Group | 77 | — | 6.1 | 7.8 | 22.0 | 22.0 |
| 46 | 21 | Armitage & Rhodes | 27 | + 1 | — | — | — | — |
| 242 | 58½ | Bardon Hill | 240 | — | 7.2 | 3.0 | 8.8 | 19.9 |
| 54 | 53 | Bray Technologies | 54 | — | 2.7 | 5.0 | 8.7 | 10.6 |
| 151 | 100 | CCL 11pc Conv. Pref. | 140 | + 2 | 15.7 | 11.2 | — | — |
| 270 | 103 | Cindico Group | 103 | − 2 | 17.6 | 17.0 | — | — |
| 88 | 45 | Deborah Services | 51 | — | 6.0 | 11.8 | — | — |
| 172 | 77 | Frank Horsell | 172 | — | — | — | 7.2 | 11.9 |
| 162 | 76½ | Frank Horsell Pr Ord 87 | 162 | — | 8.7 | 5.3 | 6.8 | 11.2 |
| 83 | 40 | Frederick Parker | 40 | — | 7.1 | 17.8 | 2.5 | 4.0 |
| 65 | 32 | George Blair | 33 | — | — | — | — | — |
| 100 | 50 | Ind. Precision Castings | 50 | — | 7.3 | 14.6 | 13.9 | 17.2 |
| 216 | 100 | Isis Conv. Pref. | 216 | + 1 | 17.1 | 7.9 | — | — |
| 114 | 47 | Jackson Group | 110 | — | 4.5 | 4.1 | 5.7 | 11.3 |
| 237 | 111 | James Burrough | 221 | + 1 | 11.4 | 5.5 | 12.2 | 12.5 |
| 260 | 128 | Robert Jenkins | 126 | − 2 | 20.0 | 15.9 | 14.7 | 8.8 |
| 83 | 54 | Scruttons "A" | 66 | — | 5.7 | 8.6 | 11.0 | 6.0 |
| 167 | 76 | Torday & Carlisle | 76 | — | 2.9 | 3.8 | — | — |
| 430 | 385 | Trevian Holdings | 430 | + 1 | — | — | 6.8 | 8.0 |
| 28 | 17 | Unilock Holdings | 17 | — | 1.0 | 5.8 | 11.1 | 16.2 |
| 90 | 64 | Walter Alexander | 87 | — | 6.8 | 7.8 | 7.8 | 10.1 |
| 276 | 214 | W. S. Yeates | 252 | — | 17.1 | 6.8 | 3.9 | 8.1 |

# APPOINTMENTS

## Guinness Mahon chairman

Following the announcement of the retirement at the end of this year of Mr Graham Hill from the boards of GUINNESS MAHON HOLDINGS and Guinness Mahon & Co, Mr Albert Frost has joined the boards of both of these companies and will succeed Mr Hill as chairman on January 1. Mr Frost will relinquish his position as a non-executive director of S. G. Warburg & Co.

After 12 years with the Inland Revenue, Mr Frost had a long career on the finance side of Imperial Chemical Industries, working as finance director from 1968-1976, when he joined S. G. Warburg, and also became a director of Marks and Spencer. He was made chairman of Remploy in 1983. Past directorships have included British Steel Corporation, BL, and British Aircarft Corporation.

★

OFFICE CLEANING SERVICES has appointed two regional directors of the management services division, Mr Chris Cracknell and Mr Peter Goodliffe. Both were projects managers in the division.

★

Mr Mark Noble has been appointed financial director of the construction division of the WIGGINS group. He was with Brown Root (UK).

★

Mr Martin M. Aylward has been appointed managing director of KESTREL DATA SERVICES from January 2. He was managing director of the information and research group of Financial Times Business Enterprises.

★

Mr Ralph Kanter has been appointed group managing director of BRITANNIA SECURITY GROUP. He was managing director of Alpine Holdings, which he joined in 1981 from the Thomas Cook Group.

★

Mr Hugh Begg is to become chairman of SEYMOUR PRESS, magazine distributor and subsidiary of Britannia Arrow, from January 1. At present managing director of Seymour Press, he succeeds Mr Jack Dengel—a founder member of the company. Mr Dengel continues in office with the non-executive title of president and remains a director and consultant.

★

Mr Don Abbott has been named managing director of MEMCOM ELECTRONICS (UK), a wholly-owned subsidiary of Memcom International Holdings.

★

Mr Tony Rush has been appointed managing director of KINGS AND CO—Scottish quarrying, road surfacing and ready-mixed concrete company, part of Tarmac Group's quarry products division, from January 1. He succeeds Mr George Brantingham, who retires next April. Mr Jim Anderson, currently Kings commercial director, has been appointed deputy managing director. Mr Rush was regional director of Tarmac Roadstone (Western), Buxton.

★

## Top post at Ilford Group

Mr Albin Knecht, head of marketing with the ILFORD GROUP since 1978, is to take over from Mr John S. Fraser as head of the Ilford group and as chief executive of Ilford Limited on January 1. Mr Fraser is to assume new senior management responsibilities within the Ciba-Geigy UK Group later in the year. Mr Peter S. Dawson, who until recently was managing director of the Swiss Nigerian Chemical Co, a Ciba-Geigy associate company, will succeed Mr Knecht as head of marketing, Ilford group.

★

Mr John H. Pownall, an assistant secretary at the Department of Trade and Industry, has become director-general of the Council of Mechanical and Metal Trade Associations (COMMET).

★

Mr A. Myles Hogg has been appointed financial director of the ELLIS & McHARDY GROUP and its two principal operating divisions—Ellis & McHardy and J. T. L. Parkinson. He was European finance and administration manager with C. H. Dexter.

★

Mr Ray Pryor, managing director of Sydney Development Co (UK) has been appointed managing director of SYDNEY and a vice president of Sydney Development Corp. Other directors of the Sydney board are Mr Alan Mynard, a founder director of SP Support and two directors of the Canadian parent, Mr Tarrnie Williams, chairman and chief executive officer, and Mr Brian Josling, president, Sydney Development Corp.

★

Dr Sergio Fieschi has been appointed deputy chairman of BARGET and Mr David J. Morris has resigned as a director.

★

Mr David Macdonald will join the PITTARD GROUP board as a non-executive director on January 1. His current appointments include: adviser to Credit Suisse First Boston; chairman Bath and Portland Group; non-executive director of Coutts and Co and Sears Holdings.

★

Mr John Oliver formerly contracts director has been appointed deputy managing director of GEOFFREY OSBORNE, Chichester. Mr Graham Daines has added marketing and new business developments to his other main board duties.

★

## Promotions at Lloyds Bank

LLOYDS BANK has made three appointments in its overseas division, effective from February. Mr Peter Emmerson is to become general manager, succeeding Mr Paul Clark, who retires at the end of January, and Mr Bill Bullock and Mr Geoffrey Higham will become assistant general managers. Mr Emmerson has worked in the overseas division since joining the bank in 1954. He has served at the bank's representative office in New York and since 1980 has been assistant general manager. Mr Bullock, who has been chief manager (operations) since 1980, will oversee operations, foreign exchange and Eurodeposit dealings. Mr Higham, who has been a chief manger at overseas since 1980, will have correspondent banking, business development and export finance activities reporting to him.

## James Neill Holdings management changes

Hand tool manufacturer JAMES NEILL HOLDINGS has made a series of management changes which stem from the relinquishment of management responsibilities by the company's chairman Mr Hugh Neill, as he approaches retirement. Mr Peter Bullock group chief executive of James Neill Holdings also becomes chairman and chief executive of Neill Tools—the group's principal UK subsidiary which incorporates the Sheffield-based Eclipse Tools and Moore and Wright. Mr Michael Mallett, who currently holds this position, will revert to his previous role as a full-time executive directors of James Neill Holdings. Mr Geoff Ward, marketing director of Neill Tools who will retire at the end of the year, will be retained as a marketing consultant and will remain on the board of James Neill Holdings. Mr Terry Harris, sales director of Neill Tools will take over Mr Ward's executive responsibilities and will become marketing and sales director. Mr Eric Bolam, until now managing director of Peter Stubs, the group's Warrington-based subsidiary, has been appointed manufacturing director of Neill Tools. Mr G. H. N. Peel, company secretary, has been elected to the board of James Neill Holdings.

★

The Transport Secretary has appointed Mr John Cyril Chaplin as a full-time member of the CIVIL AVIATION AUTHORITY, for a five-year term. Mr Chaplin has been a senior employee of the Authority since its inception in 1972 and was recently promoted to group director, safety services. He took up his board appointment on November 14.

★

Mr Ian Williams has been appointed sales and marketing director of PAXTON COMPUTERS which earlier this year became part of Star Computer Group. He joins from Star.

★

Mr Gerald Moore and Mr Michael P. Pragnell have been appointed to the board of INTERNATIONAL PAINT. Mr Moore is group director of IP—Marine Operations, worldwide. Mr Pragnell is managing director, IP-Silvertown and has overall responsibility for the company's worldwide packaging and coil coatings operations.

★

Mr T. R. Hornsby has been appointed head of the ANCIENT MONUMENTS AND HISTORICAL BUILDINGS DIRECTORATE, Department of the Environment.

★

BRABURY has appointed Mr Tim Lowden as managing director. He joined as financial director a year ago, and takes over the management from Mr David Mordaunt, company chairman and chief executive. The change releases Mr Mordaunt from the day-to-day running of the company, enabling him to concentrate on long term business strategy and the shaping of company policy.

★

## New chief for Charterhouse Japhet

Mr M. Victor Blank has been appointed a managing director of CHARTERHOUSE JAPHET. He is head of corporate finance at Charterhouse Japhet and a director of the Charterhouse Group. Mr John A. Dembitz has been appointed an assistant director of Charterhouse Japhet.

★

At the RALPH M. PARSONS COMPANY, London subsidiary of Pasadena-based Parsons Corp, Mr Dennis M. Taylor, marketing and administration director has retired. His administrative duties have been assumed by Mr John M. Russell, director of controls and administration, and responsibility for marketing will be undertaken by Dr Derek Ranson, director of business development.

★

COSALT, Grimsby, has appointed Mr Geoffrey G. Newman to its board. He is an international tax consultant.

★

Mr Gordon W. Cheeseman has been appointed a director and chief executive of ARROW CONSTRUCTION EQUIPMENT. He was previously managing director of Lincoln Electric.

## UK CLEANING INDUSTRY

# The year of the laundry takeovers

By Jeremy Stone

IN THE parlours of City merchant banks, and in the Monopolies Commission, 1983 may well come to be remembered as the year of the laundry takeovers. Lured by the prospect of lucrative contracts from the National Health Service—and a possible £1bn of new public sector business—practically every laundry or cleaning company in the land seems to have launched bids for some of the others.

Perhaps there would have been less urgency without the political dimension, while some of the bidders might have been different and the share prices of companies like Pritchard, Brengreen and Sunlight could have been less excitable. But this ceaseless churning of laundry bids might almost have broken out without encouragement from Whitehall. Now that the takeover dust has settled, along with the share prices, some old patterns are starting to reappear, albeit on a broader canvas.

There is nothing new about takeovers in the cleaning and "textile maintenance" business. Almost all the leading companies have got where they are by regular acquisition and rationalisation—in recent years the most effective means of raising profits in markets which were at best mature and often in actual decay.

Some of the traditional markets have indeed been shrinking at a rather alarming rate. Dry cleaning turnover, invariably a victim of recessions, was in real terms 20 per cent smaller by 1981 than it had been in 1978. Over the same period, laundry volume fell by around a third—a decline which seems unlikely to be reversed since the spread of washing machines into more than 80 per cent of households has removed most domestic customers permanently from the scene.

The resulting excess of capacity might be expected to deter outsiders from breaking into the wash-house, but paradoxically it helps to explain the extravagant prices which laundry and dry cleaning groups are prepared to pay for one another; closing down plant belonging to your competitors is a good way of restoring your own margins. Unfortunately for acquisitive launderers, however, this strategy has repeatedly fallen foul of the Fair Trading Act; in 1983 alone, Sunlight has been stopped from bidding for Spring Grove, while Initial and Sunlight were both prevented from trying to purchase Johnson Group. Outsiders naturally do not suffer this impediment.

What seems to have dragged relative outsiders like Brengreen and Pritchard into the laundry auction is a belief that to land the hospital contracts—which could amount to £1bn in all—it will be necessary to offer a range of services from porterage to floor-sweeping, taking in catering and laundry on the way. All these companies have gaps to fill.

Pritchard's willingness to shell out £15m for Spring Grove—a company which made only £59,000 before tax last year—can probably be traced in large part to a need for capacity to handle hospital bed-linen. This, by an ironic twist, is provided by St George's laundry, the purchase of which was responsible for Spring Grove's difficulties in the first place.

Brengreen's unsuccessful £35m bid for Sunlight was equally intended as a passport to the hospital bonanza. Brengreen, which has been a pioneer in local authority refuse collection contracts, is primarily a commercial cleaning operator; access to Sunlight's chain of laundries would have improved immeasurably its chances of acceptance as a full-line hospital contractor.

Although the cleaning and laundry groups stand to pick up very considerable amounts of work from the hospital service, the rate at which the contracts will appear and the profits to be made are alike very uncertain.

The precedent set by the privatisation of local authority refuse collection and gardening services is not altogether encouraging. Pritchard's loss of the Wandsworth gardening contract after accumulating some 17,932 penalty points on the council's presumably scientific assessment system, showed that it can be difficult to perform well under scrutiny when very tight (perhaps zero) margins have had to be specified at the outset.

Whatever the margins implicit in Pritchard's original tender for the gardening contract, the penalty points had translated themselves into cash forfeits of £138,116 between the start of the contract last March and the bitter end in October. Since the total value of the job was £348,000 a year. Pritchard must have found horticulture in Wandsworth an expensive way into the public sector.

There is little reason to suppose that standards of assessment will be more lax in the hospital system. Admittedly, there are signs that some work done for the Ministry of Defence has been more profitable than the Government would like, but there are rumours that some of the contracts are being renegotiated on less generous margins. Moreover, hospital contracts are to be performed subject to performance audits precisely in order to prevent them from becoming too comfortable.

The political nature of privatisation adds a measure of risk to any earnings which may accrue from working for the DHSS. With fairly heavy capital investment likely to be a price that would-be contractors pay to get a foot in the hospital door, it is not surprising that some of them—notably Initial and Pritchard — have apparently been looking for the security of 10-year contracts.

The government's main motive for privatisation is to save money—by getting the work done more efficiently and perhaps by forcing a certain amount of capital expenditure into the arms of the private sector as the hospital laundries built in the 1960s fall due for replacement in the next few years. It may also tacitly be enlisting the contracting companies as front line troops in a battle against the patronage which local government has built up over the years as an employer of "direct labour."

This is a part which companies like Initial and Pritchard may, in the end, be less willing to play, particularly if profits turn out to be elusive. The chances of their being pitched into the centre of a serious political row if something goes wrong are also likely to weigh upon the City's enthusiasm. "There is so much in this that could go sky-high," said an already jaundiced analyst. "It would only take somebody dying because of poor cleaning for the share ratings of the hospital companies to collapse."

### WASH-HOUSE ECONOMICS

**THE KEY to running a laundry at a profit is keeping it full of dirty linen for at least 40 hours a week. This is because the operation is very capital intensive and demands high basic expenditure—particularly on steam.**

**The sensitivity to volume has led many of the smaller domestic and contract laundries to extend their activities into linen hire — for such items as sheets and towels, known in the trade as flatwork — where they can often take work at prices no higher than their marginal costs just to keep the plant full.**

**This volume sensitivity also applies to the larger groups of laundries — with fully fledged workwear and linen-hire divisions — who are hoping to gather in volumes of highly contaminated hospital flatwork. To do this type of linen an established operator would need to make some investment in equipment for segregating foul linen from anything which is supposed to be sterile. The crucial requirement is enough space in the factory to allow this specialised equipment to be joined on to the existing process lines.**

**Once the investment in items like barrier washrooms and sterilised vehicles has been sunk, the hospital privatisation contract can be of great value to a laundry operator even if he quotes at somewhere not far above marginal cost, just so long as the plant still has spare capacity. In practice, it almost always will.**

**NHS PRIVATISATION**
**The Estimated Market**

| | £m |
|---|---|
| Laundrywork | 80 |
| Linen | 120 |
| Cleaning | 500 |
| Catering | 320 |
| Total | 1,020 |

*Source: Laing & Cruickshank, based on official and industry estimates*



**NOTICE OF REDEMPTION**

To the Holders of

## Grolier International, Inc.

**8¾% Guaranteed Debentures Due December 15, 1986**

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 3 05 of the Indenture dated as of December 15, 1971 between Grolier International, Inc. and Morgan Guaranty Trust Company of New York as Trustee, that United States Trust Company of New York as Successor Trustee, has drawn by random selection $710,000 aggregate principal amount of the Grolier International, Inc. 8¾% Guaranteed Debentures Due December 15, 1986 for redemption by the Sinking Fund on December 15, 1983. The Debentures to be redeemed are as follows:

**COUPON BEARER DEBENTURES WITH PREFIX M**

**$1,000 Denominations Called In Full**

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 1495 | 1875 | 2189 | 2883 | 3438 | 4104 | 5674 | 6108 | 7259 | 9538 | 9980 | 11425 | 13494 |
| 13 | 1497 | 1891 | 2191 | 2889 | 3456 | 4107 | 5720 | 6111 | 7260 | 9547 | 10130 | 11434 | 13501 |
| 14 | 1500 | 1893 | 2192 | 2895 | 3462 | 4110 | 5730 | 6113 | 7485 | 9549 | 10182 | 11444 | 13555 |
| 827 | 1502 | 1894 | 2204 | 2903 | 3463 | 4133 | 5732 | 6122 | 7487 | 9552 | 10200 | 11455 | 13648 |
| 939 | 1503 | 1907 | 2205 | 2904 | 3467 | 4235 | 5737 | 6124 | 7488 | 9562 | 10212 | 11461 | 13690 |
| 941 | 1506 | 1911 | 2207 | 2908 | 3494 | 4248 | 5738 | 6126 | 7508 | 9574 | 10226 | 11487 | 13710 |
| 1195 | 1511 | 1916 | 2210 | 2913 | 3495 | 4253 | 5741 | [illegible] | 7699 | 9579 | 10234 | 11494 | 13761 |
| 1205 | 1515 | 1924 | 2214 | 2922 | 3505 | 4254 | 5750 | 6131 | 7745 | 9596 | 10236 | 11502 | 13770 |
| 1206 | 1522 | 1935 | 2215 | 2924 | 3548 | 4262 | 5752 | 6150 | 7748 | 9608 | 10346 | 11514 | 13783 |
| 1209 | 1525 | 1936 | 2220 | 2925 | 3556 | 4268 | 5753 | 6152 | 7753 | 9621 | 10349 | 11519 | 13799 |
| 1212 | 1548 | 1944 | 2233 | 2927 | 3559 | 4270 | 5757 | 6154 | 7776 | 9624 | 10355 | 11521 | 13826 |
| 1213 | 1557 | 1947 | 2677 | 3005 | 3565 | 4273 | 5762 | 6159 | 7777 | 9633 | 10358 | 11540 | 13841 |
| 1217 | 1564 | 1950 | 2680 | 3023 | 3575 | 4288 | 5766 | 6164 | 7820 | 9635 | 10576 | 11545 | 13880 |
| 1227 | 1569 | 1954 | 2681 | 3043 | 3588 | 4294 | 5770 | 6174 | 7834 | 9639 | 10579 | 11551 | 13918 |
| 1232 | 1576 | 1968 | 2685 | 3060 | 3595 | 4574 | 5772 | 6179 | 8243 | 9694 | 10583 | 11558 | 13948 |
| 1338 | 1579 | 1976 | 2713 | 3065 | 3612 | 4575 | 5783 | 6181 | 8290 | 9712 | 10584 | 11597 | 13970 |
| 1341 | 1582 | 1978 | 2718 | 3066 | 3615 | 4576 | 5784 | 6285 | 8292 | 9717 | 10587 | 11613 | 13985 |
| 1360 | 1587 | 1979 | 2726 | 3069 | 3624 | 4581 | 5786 | 6368 | 8296 | 9726 | 10593 | 11744 | 14011 |
| 1361 | 1593 | 1986 | 2736 | 3072 | 3631 | 4582 | 5790 | 6372 | 8301 | 9729 | 10599 | 11761 | 14024 |
| 1363 | 1604 | 1993 | 2737 | 3080 | 3634 | 4654 | 5796 | 6378 | 8304 | 9730 | 10601 | 11902 | 14048 |
| 1364 | 1605 | 2005 | 2747 | 3084 | 3650 | 4673 | 5797 | 6380 | 8305 | 9735 | 10613 | 11934 | 14053 |
| 1385 | 1617 | 2019 | 2749 | 3092 | 3655 | 4674 | 5809 | 6381 | 8308 | 9736 | 10623 | 11942 | 14075 |
| 1388 | 1619 | 2029 | 2755 | 3102 | 3661 | 4682 | 5810 | 6384 | 8585 | 9742 | 10624 | 11943 | 14091 |
| 1394 | 1635 | 2038 | 2759 | 3112 | 3670 | 4683 | 5814 | 6469 | 8586 | 9753 | 10628 | 11962 | 14135 |
| 1397 | 1642 | 2045 | 2761 | 3131 | 3734 | 4687 | 5823 | 6480 | 8768 | 9766 | 10630 | 11968 | 14179 |
| 1398 | 1662 | 2047 | 2764 | 3135 | 3736 | 4730 | 5827 | 6541 | 8780 | 9779 | 10632 | 12798 | 14226 |
| 1399 | 1664 | 2050 | 2768 | 3146 | 3757 | 4743 | 5831 | 6542 | 8784 | 9782 | 10637 | 12819 | 14262 |
| 1401 | 1673 | 2054 | 2769 | 3152 | 3762 | 4744 | 5841 | 6597 | 8895 | 9794 | 10646 | 12838 | 14281 |
| 1406 | 1678 | 2058 | 2770 | 3163 | 3772 | 4779 | 5845 | 6610 | 9037 | 9806 | 10811 | 12866 | 14288 |
| 1407 | 1684 | 2063 | 2774 | 3171 | 3773 | 4797 | 5848 | 6671 | 9040 | 9814 | 10814 | 13020 | 14294 |
| 1409 | 1701 | 2066 | 2777 | 3186 | 3775 | 4802 | 5849 | 6723 | 9045 | 9817 | 10818 | 13061 | 14308 |
| 1412 | 1724 | 2067 | 2779 | 3187 | 3779 | 4820 | 5851 | 6725 | 9051 | 9825 | 10828 | 13073 | 14320 |
| 1415 | 1726 | 2079 | 2780 | 3189 | 3781 | 4824 | 5853 | 6731 | 9053 | 9830 | 10846 | 13083 | 14333 |
| 1418 | 1731 | 2087 | 2783 | 3205 | 3782 | 4827 | 5855 | 6732 | 9054 | 9835 | 10933 | 13112 | 14349 |
| 1419 | 1751 | 2090 | 2785 | 3210 | 3797 | 4828 | 5859 | 6815 | 9064 | 9836 | 10936 | 13121 | 14368 |
| 1424 | 1757 | 2096 | 2792 | 3236 | 3971 | 4832 | 5863 | 6818 | 9071 | 9842 | 10948 | 13133 | 14381 |
| 1427 | 1761 | 2102 | 2797 | 3247 | 3977 | 4833 | 5868 | 6856 | 9073 | 9837 | 10963 | 13142 | 14398 |
| 1432 | 1766 | 2107 | 2802 | 3260 | 3981 | 5291 | 5872 | 6861 | 9074 | 9940 | 11075 | 13261 | 14421 |
| 1434 | 1772 | 2109 | 2803 | 3279 | 3982 | 5294 | 5884 | 6884 | 9081 | 9941 | 11081 | 13273 | 14432 |
| 1440 | 1787 | 2110 | 2807 | 3291 | 3985 | 5333 | 5886 | 6885 | 9089 | 9947 | 11107 | 13286 | 14504 |
| 1452 | 1797 | 2113 | 2811 | 3294 | 3993 | 5335 | 5887 | 6944 | 9092 | 9948 | 11110 | 13291 | 14626 |
| 1460 | 1803 | 2122 | 2814 | 3297 | 3999 | 5391 | 5889 | 6945 | 9095 | 9951 | 11114 | 13317 | 14666 |
| 1461 | 1807 | 2142 | 2822 | 3299 | 4008 | 5396 | 5892 | 7058 | 9161 | 9952 | 11120 | 13323 | 14675 |
| 1465 | 1810 | 2143 | 2835 | 3301 | 4009 | 5416 | 5936 | 7190 | 9184 | 9954 | 11222 | 13341 | 14702 |
| 1471 | 1816 | 2145 | 2839 | 3313 | 4019 | 5419 | 5994 | 7193 | 9189 | 9956 | 11242 | 13353 | 14722 |
| 1472 | 1823 | 2148 | 2843 | 3322 | 4020 | 5426 | 6018 | 7198 | 9487 | 9957 | 11249 | 13368 | 14734 |
| 1481 | 1824 | 2149 | 2849 | 3343 | 4023 | 5465 | 6024 | 7200 | 9491 | 9962 | 11265 | 13378 | 14791 |
| 1482 | 1834 | 2151 | 2853 | 3373 | 4024 | 5480 | 6025 | 7245 | 9498 | 9968 | 11287 | 13384 | |
| 1485 | 1837 | 2165 | 2863 | 3379 | 4031 | 5556 | 6050 | 7248 | 9523 | 9970 | 11408 | 13438 | |
| 1491 | 1854 | 2170 | 2870 | 3394 | 4095 | 5559 | 6051 | 7252 | 9530 | 9975 | 11416 | 13457 | |
| 1494 | 1868 | 2175 | 2874 | 3400 | 4102 | 5561 | 6095 | 7257 | 9536 | 9989 | 11421 | 13479 | |

Accordingly, on December 15, 1983 the principal amount of the Debentures or portions thereof so designated for redemption will become due and payable at 100% of the principal amount thereof together with accrued interest to December 15, 1983 and must be presented at the office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, Attn: Corporate Trust Department, 13th Floor, the main office of Morgan Guaranty Trust Company of New York in Brussels, the main offices of Morgan Guaranty Trust Company of New York and Commerzbank Aktiengesellschaft in Frankfurt am Main, the main office of Morgan Guaranty Trust of New York in London, the main offices of Morgan Guaranty Trust Company of New York and Credit Lyonnais in Paris, the main office of Morgan Guaranty Trust Company of New York in Zurich, the main offices of Banca Morgan Vonwiller S.p.A. and Banco di Roma in Milan, the main office of Banca Morgan Vonwiller S.p.A. in Rome, the main office of Bank Mees & Hope N.V. in Amsterdam, and the main office of Credit Lyonnais S.A. in Luxembourg for payment and redemption. From and after December 15, 1983, interest on the Debentures or portions thereof so to be redeemed will cease to accrue. Coupons maturing December 15, 1983 or prior thereto should be detached and presented for payment in the usual manner.

GROLIER INTERNATIONAL, INC.
By: UNITED STATES TRUST COMPANY OF NEW YORK, *Successor Trustee*

Dated: November 23, 1983

## COMPANY NOTICES

### UNILEVER N.V.

**4% REDEEMABLE CUMULATIVE PREFERENCE SUB-SHARES OF Fl. 12 ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR**

The dividend for 1983 of 4% (Fl.0.48) Serial No. 70 will be paid on and after 3 January 1984. To obtain this dividend certificates must be listed on listing forms obtainable from one of the following banks:-

Midland Bank plc, Stock Exchange Services Department, Mariner House, Pepys Street, London EC3N 4DA;
Northern Bank Limited, 2 Waring Street, Belfast BT1 2EE;
Allied Irish Banks Limited, Securities Department, Stock Exchange, Bank Centre, Ballsbridge, Dublin 4.
Clydesdale Bank PLC, 30 St. Vincent Place, Glasgow.

Separate forms are available for use (a) by Banks, UK firms of Stockbrokers, Solicitors or Chartered Accountants (b) by other claimants. Notes on the procedure, in each case, are printed on the forms.

Fuller details of the dividend may be obtained from the above named banks on and after 28 December 1983.

EXCHANGES of original shares for certificates of sub-shares and vice versa will be SUSPENDED from 16 December 1983 to 29 December 1983 both dates inclusive.

Certificates will only be accepted for exchange after 29 December provided that all dividends declared prior to that date have been claimed.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR
London Transfer Office, Unilever House, Blackfriars, London EC4P 4BQ.
1st December 1983.

**4% REDEEMABLE CUMULATIVE PREFERENCE ORIGINAL SHARES**

The dividend will be paid on and after 2 January 1984 against surrender of Coupon No. 70. Coupons should be sent to one of the Paying Agents in the Netherlands accompanied by an income tax form for relief from Dutch tax obtainable from Midland Bank plc, Stock Exchange Services Department, Mariner House, Pepys Street, London EC3N 4DA, from which fuller details of the dividend may be obtained.

### BRITANNIA INTERNATIONAL FINANCE LIMITED

(formerly called Slater, Walker International Finance Limited)

U.S. DOLLAR 5¼% GUARANTEED CONVERTIBLE BONDS DUE 1987 ("the Bonds") guaranteed by, and convertible into ordinary shares of 25p each of, BRITANNIA ARROW HOLDINGS PLC (formerly called Slater, Walker Securities Limited)

**NOTICE OF ADJUSTMENT OF CONVERSION PRICE**

NOTICE IS HEREBY GIVEN to the holders of the Bonds that as a result of the offer made by Britannia Arrow Holdings PLC on 3rd November 1983 of ordinary shares by way of rights to ordinary shareholders and warrant holders the conversion price applicable to the Bonds (as referred to in the Terms and Conditions printed on the reverse thereof) has, in accordance with the provisions of the said Terms and Conditions and of the Trust Deeds constituting the Bonds, with effect on and from 4th November 1983 been reduced from 120p to 115p per ordinary share of Britannia Arrow Holdings PLC.

Any Bondholder who wishes to inspect copies of the Trust Deeds constituting the Bonds may do so at the main office of the Paying Agents in the cities listed below and at the registered office of the Trustee set out below:—

Principal Paying Agent
FIRST CHICAGO INTERNATIONAL
New York City

Paying Agents
THE FIRST NATIONAL BANK OF CHICAGO
in
London Paris Frankfurt am Main Milan

DEUTSCHE BANK AKTIENGESELLSCHAFT
Frankfurt am Main

KREDIETBANK LUXEMBOURGEOISE S.A.
Luxembourg

Trustee
Alliance Assurance Company Limited
1 Bartholomew Lane, London EC2N 2AB

Dated: 2nd December, 1983

BRITANNIA INTERNATIONAL FINANCE LIMITED

### TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

A Member of the Barlow Rand Group

**PAYMENT OF COUPON NO. 83**

| | | |
|---|---|---|
| Amount of dividend declared | 205.00 | 113.87 |
| | | 30.75 |
| | | 17.38 |
| | | 81.110110 |

Secretaries of the Company in the United Kingdom:
Charter Consolidated P.L.C.
40 Holborn Viaduct
London EC1P 1AJ
1st December, 1983

NOTE: The Company has been asked by the Commissioners of Inland Revenue to state:
Under the double taxation agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15% instead of at the basic rate of 30% represents an allowance of credit at the rate of 15%.

### REFINERIA DE PETROLEOS DEL NORTE S.A.

PETRONOR

### SECURITY AND PROSPERITY FUND S.A.—SEPRO

Société Anonyme
(In Voluntary Liquidation)
2, Boulevard Royal, Luxembourg
R.C. Luxembourg B 8453

THE LIQUIDATORS

## ART GALLERIES

BROMPTON GALLERY, 15, Brompton Arcade, Knightsbridge, SW1. 581 1076. First London exhibition of paintings and drawings by the Spanish artist MIGUEL ANGEL FOLLENTE. Until 17 Dec. Mon.-Fri 10-6; Sats. 10-1.

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. JAMES REEVE. Paintings and Watercolours.

LEGER, 13, Old Bond St. ANNUAL EXHIBITION — ENGLISH WATERCOLOURS. Until Xmas. Mon.-Fri. 9.30-5.30.

LE FEVRE GALLERY, 30, Bruton Street, W1. 01-493 1572. — Important XIX and XX Century works of art on view. Nov. 23rd-Dec. 21st. Monday-Friday 10-5; Saturdays 10-12.30.

LUMLEY CAZALET, 24, Davies St., W1. 01-499 5058. ROBERT BATES — New Watercolours. Until 16 December.

MACKINNON & STRACHEY, 17, Savile Row, W1. 01-734 6911. Exhibition of 19th century English and French Watercolours. Mon.-Fri. 10-5.30.

PIRANESI etchings at The Building Centre Gallery, 26, Store Street, London, WC1, till 7th December. Mon.-Fri. 10-5, Sat. 10-1.

THACKERAY GALLERY, 18, Thackeray St., W8. 01-937 5883. CHRISTMAS EXHIBITION including ALEXANDRA LUMLEY—Watercolours. Until 23 Dec.

WILLIAM DRUMMOND at Bury Street Gallery, 11, Bury St., St. James's. Christmas Exhibition of 200 Watercolours for Christmas Presents.

# THE ARTS

## Arts Week

| F | S | Su | M | Tu | W | Th |
|---|---|---|---|---|---|---|
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |

## Music

### LONDON

**Goldsmiths Choral Union** conducted by Brian Wright. Handel Messiah. Royal Festival Hall (Mon). (928 3191).

**Horacio Gutierrez**, piano. Haydn, Schumann, Ravel and Liszt. Queen Elizabeth Hall (Mon). (928 3191).

**London Philharmonic Orchestra** conducted by Mstislav Rostropovich. Tchaikovsky, Mussorgsky/Ravel, Prokofiev. Royal Festival Hall (Tue).

**London Symphony Orchestra** conducted by Claudio Abbado. Bach/Webern, Webern, Berg and Mahler. Barbican Hall (Tue). (638 8891).

**BBC Symphony Orchestra and BBC Singers** conducted by Denis Russell Davies with Teresa Cahill and Anne Evans, sopranos and Dale Duesing, baritone. Schubert/Webern, Webern, Zemlinsky. Barbican Hall (Wed).

**London Mozart Players** conducted by Harry Blech with Sequeira Costa, piano and Ralph Kirshbaum, cello. Mendelssohn, Schumann.

**London Philharmonic Orchestra** conducted by Gustav Kuhn with Pascal Roge, piano. Beethoven. Royal Festival Hall (Thur).

**Juilliard Quartet.** Schubert, Wolf and Mozart. Queen Elizabeth Hall (Thur). (928 3191).

**London Symphony Orchestra** conducted by Claudio Abbado with Maurizio Pollini, piano. Webern; Schoenberg and Bartok. Barbican Hall (Thur).

**Ronnie Scott's**, Frith Street: Trumpeter Chet Baker. All week. 439 0747.

### PARIS

**Bryon Janis**, piano: Mozart, Brahms, Rachmaninov (Mon) P.M.P.-Châtelet (233 4444).

**Juilliard Quartet**: Haydn, Mozart, Debussy (Mon), Salle Gaveau (563 2030).

**Yehudi Menuhin** as conductor, Paul Coker, soloist: Sonatas by Brahms, Bach, Debussy, Beethoven (Mon), Salle Pleyel (561 0630).

**Luigi Alva recital**: Dante Mozzala, piano: Arias from Verdi, Donizetti, Rossini (Mon). Théâtre de L'Atheneé (742 8727).

**English Concert** conducted by Trevor Pinnock, Jennifer Smith, Soprano: Handel, Albinoni, Bach, Purcell (Mon) Saint Germain L'Auxerrois Church (Metro Louvre) (277 1990).

**Stockholm's Gosskoer** – Children's choir conducted by Roland Nilsson: Palestrina, Haydn, Mendelssohn, Sodermann, Poulenc (Tue) Saint-Sévérin Church (Metro Saint-Michel) (277 1990).

**Henryk Szeryng** with the Pasdeloup Orchestra conducted by Gérard Devos: Berlioz, Brahms, Beethoven (Tue) Théâtre des Champs Elysées (723 4777).

**Ensemble Orchestral de Paris** conducted by Mark Deller, Deller Consort, Joel Pontet, Harpsichord: Händel's Acis and Galatea (Tue, Wed) Salle Gaveau (563 2030).

**Brigitte Engerer**, piano Schubert and Schumann (Wed) Théâtre des Champs Elysées (723 4777).

**Orchestre de Paris** conducted by Zubin Mehta: Haydn, Dutilleux, Strauss (Wed, Thur) Salle Pleyel (561 0630).

**Hommage to Olivier Messiaen Messe de la Pentecôte**, Louise Thiry, organ (Thur). Saint-Germain des Près Church (277 1990).

**Jacqueline Robin**, piano: Mozart, Brahms, Schubert (Thur) Salle Gaveau (563 2030).

### NEW YORK

**New York Philharmonic** (Avery Fisher Hall): Lukas Foss conducting/pianist. Schubert-Webern Webern, Bach, Schumann (Tue); Andre Previn conducting, Cecile Licad piano. Rachmaninoff, Shostakovich (Thur). Lincoln Center (874 2424).

**Carnegie Hall**: Los Angeles Philharmonic. Andrew Davis conducting, Jeffrey Kahane piano. Mozart, Mahler (Tue); Rudolph Serkin, piano recital. Haydn, Beethoven, Schubert (Wed). (247 7459).

**Merkin Hall**: Monique Duphil piano, Jay Humeston cello. Poulenc, Debussy, Prokofiev, Chopin (Mon); Beveridge Webster piano recital. Brahms, Carter, Beethoven (Tue); Franz Eichberger piano recital. Brahms, Beethoven, Vozbert Linke (Thur). 67th W of Broadway (362 8719).

**Kaufmann Hall** (92nd St Y): Andre Emelianoff cello recital. Thomas de Hartmann, Beethoven, Messiaen, Schoenberg, Debussy, Richard Wernick: The Oracle of Shimon bar Yochai (world premiere). (Thur). 92nd & Lexington Av. (427 4410).

### CHICAGO

**Chicago Symphony** (Orchestra Hall): Erich Leinsdorf conducting. Wagner, Schmidt (Thur). (435 8111).

### ZURICH

**Tonhalle**: Tonhalle Orchestra conducted by Ferdinand Leitner with Ander Foldes, piano. Beethoven, Mozart and Strauss. (Tue to Thur). (201 1580).

## Opera and Ballet

### WEST GERMANY

**Berlin, Deutsche Oper**: Hansel and Gretel is conducted by Philippe Sanjust. This week's highlights are Aida with Eva Randova and Martti Talvela and Der Troubadour conducted by Herbert von Karajan. The magic flute rounds off the week. (343 81)

**Hamburg Staatsoper**: Premiering this week are Arnold Schönberg's three small operas, Ein Überlebender aus Warschau/Die Glückliche Hand/Die Jakobsleiter, show for the first time in Hamburg. They are produced by Peter Mussbach and conducted by Christoph von Dohnanyi. Der Barbier von Sevilla has Agnes Baltsa in the part of Rosina. Hansel and Gretel has Olive Fredricks and Gabriele Fontana in the leading roles. (351 151)

**Frankfurt, Opera**: The revival of Pariser Leben has Tamar Rachum and Bodo Schwanbeck in the main parts. Die Zauberflöte has Manfred Schenk as Sarastro. Der Türke in Italien is steered to triumph by Volkmar Olbrich's conducting. (25 621)

**Munich, Bayerische Staatsoper**: Der Fliegende Holländer has Franz Ferdinand Nentwig and Catarina Ligendza in the leading parts. Carmen is newly produced by Jean-Claude Auvray. Hansel und Gretel is worth a visit with Helga Dernesch and Helena Jungwirth in the leading roles. Die Entführung aus dem Serail convinces, thanks to Francisco Araiza. Don Pasquale sung in Italian closes the week.

### ITALY

**La Scala, Milan**: Turandot conducted by Lorin Maazel with scenery and costumes by Franco Zeffirelli, Placido Domingo and Katia Ricciarelli. (Wed).

### PARIS

**World Premiere of Olivier Messiaen's** Saint François D'Assise conducted by Seiji Ozawa, produced by Sandro Sequi, costumes and decor by Guiseppe Crisolini-Malatesta with Christiane Eda-Pierre as The Angel. Jose van Dam as Saint François alternates with Glazunov's ballet Raymonda in a new production, Rudolf Nureyev's choreography reinterprets Marius Petipa. Decor and costumes by Nicholas Georgiadis, conducted by Michel Sasson/Michel Queval at the Paris Opera (266 5022)

**Contemporary Ballet** by the Paris Opera ballet Corps and choreographic research group to the choreography of Merce Cunningham, Louis Falco and William Forsythe at the Opera Comique – Salle Favafi (296 0611)

Lois McDonall and Stuart Kale in Tales of Hoffmann at the English National Opera, London

### LONDON

**Royal Opera House**, Covent Garden: Esclarmonde, a rare Massenet opera, comes to Covent Garden because of the enthusiasm and aptitude for the title role of Joan Sutherland; the production by Lotfi Mansouri, originally from Vancouver, is conducted by Richard Bonynge. On Sunday evening the high-powered combination of Grace Bumbry and Shirley Verrett can be heard in an evening of duets. (240 1066).

**English National Opera**, Coliseum: Mireille, the most musically inspired of Gounod's mature operas, is produced for Valerie Masterson; Serge Baudo makes his debut in British opera. The rest of the schedule contains the unexpectedly successful new production of Britten's Rape of Lucretia, a lacklustre revival of The Tales of Hoffmann, and Madame Butterfly with a promising new set of leads, Eiddwen Harrhy and Rowland Sidwell. (836 3161).

### NEW YORK

**Metropolitan Opera** (Opera House): The 11th week of the centenary season features the first seasonal performance of Tristan and Isolde conducted by James Levine with Hildegard Behrens as Isolde and Richard Cassilly as Tristan, with Dialogue of the Carmelites, sung in English, conducted by Manuel Rosenthal with Frederica von Stade as Blanche and Johanna Meier as Madame Lidoine. Other performances of the week include Pier Luigi Samaritani's new production of Ernani, and Don Giovanni. Lincoln Center (580 9830)

**New York City Ballet** (New York State Theatre): The third week of the season is the first full week of the month-long performance schedule of The Nutcracker. Lincoln Center (870 5570)

**Alvin Ailey Dance Company** (City Center): A week of mixed programmes celebrates the 25th anniversary of a leading American company that cheerfully mixes spirituals, classical, jazz and Broadway tunes. 55th E. of 7th Av (581 7907)

**The Merry Widow**: Light Opera of Manhattan takes on Lehar's story of Belle Epoque Paris as experienced by romantically inclined Marsovian widow. 334 E. 74th (861 2288)

### WASHINGTON

**Paul Taylor Dance Company** (Eisenhower): A fortnight's mixed repertoire of one of America's favourite modern companies. Kennedy Center. (254 3670)

## Exhibitions

### PARIS

**Balthus** – in collaboration with the Metropolitan Museum 50 paintings and as many drawings are shown in the secretive painter's first retrospective revealing a universe peopled with adolescent girls and cats in an atmosphere of troubling innuendoes. Centre Georges Pompidou. Closed Tue, Ends Jan 23 (277 1233)

**Cycladic Art from the N. and D. Goulandris Collection** – more than 200 remarkable items dating from the third century B. C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (ends Jan 9 1984). Closed Tue, Wed late closing night 10 pm (261 5410)

**Turner** (1775-1851) – the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes – through his fascination with the effects of light – one of the forerunners of abstract art. Grand Palais (Oct 15-Jan 16). Closed Tue. (2615410).

### WEST GERMANY

**Hanover, Wilhelm Busch Museum**, 1 Georgengarten: The first venue of the roving exhibition with 170 etchings and lithographs by George Cruikshank, the British cartoonist. Ends Jan 8

**Bonn: Rheinisches Landesmuseum**: The most comprehensive exhibition of contemporary U.S. art ever shown in West Germany. It features works from the 1970s and 1980s by nearly 50 artists representing such styles as pattern and decoration, new image, new wave, new expressionism and graffiti. Ends Jan 15

**Berlin, Martin Gropius Bau**, 110 Stresemannstrasse: The Federation of West German Artists is showing the work of 300 contemporary painters to document artistic trends. Ends Jan 8.

**Hamburg, Kunsthalle**, Glockengiesserwall: Luther And The Consequences for The Fine Arts has 540 graphics and paintings from the Reformation to today illustrating the great reformer's impact on many artists. Ends Jan 8.

### ITALY

**Milan**: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

**Venice**: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

### HOLLAND

**Irish Culture from 3000 BC to 1500 AD** in Amsterdam's Rijksmuseum until Feb 28. The Book Of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels

### BRUSSELS

**15th Century drawings from Belgian** private collections – 100 drawings including Jordaens, Teniers, van Goyen, Tiepolo, Poussin and Fragonard. Société Générale de Banque. Ends Dec 21

### LONDON

**The Hayward Gallery**: Hockney's Photographs – a brisk survey of Hockney's practical use of the camera from simple reference and aide memoire to photographic exercises. This latter aspect developed slowly but has speeded considerably in the past 18 months. The composite photographic image is no longer just a simple still life or portrait study, but a strange and intriguing image of an event, a sequence of action, a passage of time. Ends Feb 5

### NEW YORK

**Metropolitan Museum of Art**: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27

**Cantor Sculpture Centre**: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

### WASHINGTON

**National Gallery**: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984

**National Museum of Natural History**: The Precious Legacy contains 350 secular and religious Jewish objects the Nazis preserved in Czechoslovakia for a "Museum of an extinct race", covering five centuries of gold, portraits, textiles and other crafts from the collection of the State Jewish Museum in Prague. Ends Dec 31

### CHICAGO

**Museum of Contemporary Art**: 48 paintings of Superrealist Malcolm Morley trace the British-born painter's style from its origins in abstract works through Pop art to the ocean liners based on postcards that show the photo-realist influence of his self-styled Superrealism. Organised originally by the Whitechapel Gallery in London, the show includes recent pastoral landscapes with beach scenes and animals. Ends Jan 22

## Theatre

### NEW YORK

**Cats** (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

**La Cage aux Folles** (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaité Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

**42nd Street** (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020)

**Torch Song Trilogy** (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

**Dreamgirls** (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

**Nine** (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

**On Your Toes** (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

**Brighton Beach Memoirs** (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646)

### WASHINGTON

**Beyond Therapy** (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personal's column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

### CHICAGO

**E. R.** (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

### LONDON

**Dancin'** (Drury Lane): Bob Fosse, answer to A Chorus Line makes Wayne Sleep and his Dash company look like the real thing. At least the band is splendid, and so is Jules Fisher's lighting. Anyone who has seen Alwin Nikolais or even Fosse's own All That Jazz need not apply. (836 8108).

**Blondel** (Old Vic): It is a real pleasure to visit Honest Ed's Old Vic, full of light, space and pleasant stairways. Shame about the show, which not even Paul Nicholas's charm as a troubador (rhyming with "fondle") in search of both Richard the Lionheart and a hit song can rescue. Blondel finds his king, but not the rhapsody. (928 7616).

**Dear Anyone** (Cambridge): Jane Lapotaire, without Piaf's songs, is still a very fine musical actress, but Jack Rosenthal's book to lyrics by Don Black and music by Geoff Stephens is nothing except a few Jewish jokes. Ralph Koltai's design for a newspaper office is an impressive steel astrolabe. (379 5299).

**Hay Fever** (Queen's) Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia Johnson. She is very funny, winsomely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

**Pack of Lies** (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959/60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

**The Real Thing** (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143)

**Daisy Pulls It Off** (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592)

**Noises Off** (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast, Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888)

**Glengarry Glen Ross** (Cottesloe): One of America's best playwrights, David Mamet, has a startling world premiere at the National Theatre in this superb Bill Bryden production of life among real estate salesmen. The language rocks and rolls through idiomatic salespeak with many a glancing reference to post-Nixon break-in paranoia (928 2252)

**Little Shop of Horrors** (Comedy): Tawdry, camp musical based on a 1960 Roger Corman B-movie about a man-eating plant which revives the fortunes of a Skid Row flower shop. The 1950s pastiche is a bit wan, but the lyrics sharp. The plant grows from cactus-like vulva to piscatorial, blues-singing peach. Ellen Greene repeats her off-Broadway performance which is something like Fenella Fielding only blonde and way over the top (930 2578)

## Cinema/Nigel Andrews

# Hitchcock's good-time ghouls

Rear Window, directed by Alfred Hitchcock
A Star Is Born, Directed by George Cukor
Biddy, directed by Christine Edzard
The Death Of Mario Ricci, directed by Claude Goretta
Parade, directed by Jacques Tati

James Stewart and Grace Kelly in "Rear Window"

1954 was a very good year. The Chateau Cukor vineyards gave us a presentation vintage called *A Star Is Born* and the Hitchcock pressings yielded the classic *Rear Window*. Vintners have been in big trouble in recent decades because they couldn't obtain the second at all, tied up in the Hitchcock estate, while the first has been available only in corrupted form, a two and a half-hour cut version.

From this week you can get richly plastered on both. *Rear Window* storms back into the public domain in company with four other sequestered Hitchcocks—*Rope, The Trouble With Harry, The Man Who Knew Too Much* and *Vertigo*—and George Cukor's hitherto hacked Judy Garland vehicle is restored to its original three-hour span.

*Rear Window* is spellbinding. Who but Hitchcock, that roly-poly voluptuary of the perverse, could have immobilised James Stewart for 112 minutes in a one-room set, overlooking the myriad windows of an apartment-block courtyard, and created one of the most fast-moving comedy thrillers ever? Stewart, a reporter plaster-legged after an accident, has developed bird-of-prey eyes which feed on titbits of gossip and scandal gleaned from the surrounding apartments. He shares these with his caustic, street-wise "daily," Thelma Ritter, and with his high society girlfriend Grace Kelly, who has a voice like gurgling champagne and who looks (in a new gown each scene) quite indecently beautiful.

When Raymond Burr's bed-ridden wife mysteriously disappears one day, Stewart's idle curiosity turns to morbid fascination. Burr is the burly commercial traveller living in menacing mobile silhouette in the window opposite Stewart's. Our hero suspects foul play and events fuel his fancy. A neighbourhood terrier scrabbles at a flower-bed; a large and ominous trunk is removed from the Burr apartment; and Stewart's detective friend Wendell Corey drops by on request, to register first derision and then suspicion.

As the plot thunders darkly, hilariously on, the studio set and Hitchcock's use of it are masterly. It becomes a movie version of one of those children's picture-houses whose paper windows flap open to reveal there a dancing skeleton, there a lamp-eyed cat, there a harridan wife rolling-pinning her hubby.

Meanwhile Hitchcock plugs us so emphatically into Stewart's hypnotised prurience that we feel as rebuked as he when Grace Kelly, at a moment when Burr's innocence seems proven, drily purls the film's wittiest line: "We're plunged in despair because a man hasn't killed his wife. We're two of the most frightening ghouls I know." *Rear Window* unmasks the Peeping Tom in all of us and is some of the most charmingly disarming face-slaps an audience ever received.

*A Star Is Born*, by contrast, has no brisk economy of effect at all. Even in the scissored version by which we've known it for 30 years, and which Warner Brothers prepared soon after the film's first release against director Cukor's wishes, all is mighty showbiz hyperbole: with Judy Garland's giant-eyed, trembled-voiced rising star passing James Mason's tousle-livered falling meteor on the galactic stairway of fame.

But if you are making a film of Brobdingnagian emotions, you might as well make it at accommodating length. The epic schmaltz belongs in an epic time-span. And so the two major musical numbers here restored after an heroic hunt in the Warners vaults by U.S. film buff Ronald Haver, "Lose that long face" and "Here's what I'm here for," give us an extra dosage of Garland at full throttle. And the early stretch of semi-restored narrative, in which Mason and Garland lose and then rediscover each other between their first meeting and her first screen test, puts some humanising crimps and bends into a courtship hitherto straight as a hat-pin.

The film thus rebuilt still seems a magnificent folly rather than a flawless masterwork. It piles on florid set-pieces one atop the other, with scant regard for the overall structure. "Born in a trunk" stops the film stone dead, however mellifluously, for 10 minutes or more. And the new "Lose that long face," though it sets in context Garland's dressing-room breakdown in freckle face, straw hat and farmer's smock, by showing the song she's just come in from rehearsing and then has (*toujours gai*) to return to, is over-long and under-tuneful.

We are left with a movie in which there is abundant visual and dramatic marvels: the sea-waves lapping hungrily in reflective windows before Mason's suicide, the soaring fullness like a cosmic sob of Garland's voice, the gorgeous breadth of the early-Cinemascope screen. But the marvels float oddly adrift, occasionally colliding more by luck than judgment, in a dwarfing narrative void.

★

In Christine Edzard's *Biddy* we feel as if Virginia Woolf had been let loose on an episode of *Upstairs Downstairs*. Celia Bannerman plays the nanny Biddy, whose stream-ofcon-sciousness thoughts and prattlings pound on through the decades while her protegés grow from tiny tots via capricious teenagers to married or marriageable grown-ups.

The camera purrs adoringly in our heroine's wake, inviting halo light from the windows and amber glow from oil-lamps and fireplace, as the rags of voices and memories float around her and characters pop in and out of her purview. (All the dialogue is post-dubbed, so that conversation and inner monologue blend fluently, hypnotically together.)

The film needed, I think, a greater vibrato of daring unreality to carry it up and away from doll's-house TV Victorianism into masterpiece class. But it's a fascinating concept staged with love and imagination.

★

*The Death of Mario Ricci* is the latest slice of picture-book allegorising from Claude Goretta, of *The Lace-Maker* and *The Girl from Lorraine*. Deep into the Swiss countryside sallies smoke-haired Gian Maria Volonté, playing a crippled TV reporter seeking out a reclusive ex-expert on Third World hunger (Heinz Bennent). Why has Bennent suddenly gone mum? Why is the small village of Etiolaz still reeling from a motorcycle accident that killed the Italian guest-worker of the title? Why does a villager keep approaching Volonté, as if to impart information, and then backing away? Why is Goretta taking so long to thread together all the disparate plot strands?

This is an arable parable that has been unlucky with the soil and the weather. It glumps muddily from scene to scene, as if succumbing to a pastoral version of the anomie that got Isabelle Huppert in *The Lacemaker*. Goretta, on form, is a great watcher of faces and composer of existential suspicion. But here the attempted picture of a world coming apart in microcosm in a Swiss village lacks bite, depth or any sense of inner harmony. Only Gian Maria Volonte, flying in smoulder-eyed and prophet-visaged from Rosi's Eboli, lends a few flickers of transforming magnetism.

★

It's no surprise that Jacques Tati's last film *Parade*, made for Swedish television in 1974, has stayed out of the country for nine years. In fuzziest video Tati holds beleagured sway in a circus ring for 75 minutes before an audience of bemused Scandinavians. On the frightening self-perpetuating principle that one music-hall turn deserves another, he gives us his funny goalkeeper, his funny tennis player, his funny horse-rider, his funny traffic gendarme . . . . But they have all, alas, been funnier elsewhere. Sometimes it's a cruelty rather than a favour to dig up a lost genius's last testament.

## Elly Ameling/Wigmore Hall

### Dominic Gill

Elly Ameling divided her song recital on Wednesday night between Debussy, Poulenc and Strauss. It was a recital of passing pleasures: a clear, uncomplicated soprano voice, some familiar great songs, a couple of rarities. It was not, any more than her previous recitals have been, truly an event that will stick in the mind over the years—but a pleasurable one even so, sung with style and heart.

Pleasurable, even though the command of expressive vocabulary is (musically speaking) limited, and the range of heart not exceptionally broad. High notes are more strained than they used to be—and at full stretch, tone can be blustery even in the middle registers.

Only occasionally, as it were setting her limits, did Miss Ameling choose a song—like Strauss's "Morgen," one of his most seamless Schumannesque creations—she could not really give full measure to. Otherwise, sensibly, she kept well within her compass, making the most of what she can do very beautifully: moulding a long line with careful elegance, folding it gently with the next, finding just the right emphasis for the delicate, airy phrase.

She found a beautiful open pan-flute timbre for the first of Debussy's *Chansons de Bilitis*, and an especially eloquent surge of warmth for the lovely Mallarme poem "Soupir." She hit the right note exactly, wry and lightly humorous—deftly serious only for "Cimetiere"—in Poulenc's *Five Poems of Max Jacob*. A group of nine Strauss songs was a little more uneven—gravely funny in "Mein Vater hat gesagt," but too breath-tense in the smoothest phrases to let "Morgen" or "Ständchen" glide as they might. This has been a bad season for accompanists: so a word of special praise for Rudolf Jansen, whose partnership of Miss Ameling was of rare distinction, quick, sensitive, subtly coloured—in every song a delight.

## A Place in Europe/ICA

### Martin Hoyle

"There are only ever three things," says one of the two speaking characters (or her recorded voice; or a figure from her past) in Impact Theatre's latest exercise in evoking mood, shreds of myth, half-remembered archetypal images: "memory, desire and place."

Though based in Leeds, the Co-operative rehearsed and opened its latest production in Bologna; which explains the occasional Italian phrase murmured into the tape-recorder as a girl remembers or pieces together the fragments of a possible past.

Simon Lewandowski's set reveals a palatial room, shabby and bare save for the girl's central table and the chairs to be occupied by the eight musicians, anonymous dream-like figures who enter sporadically throughout her opening dialogue with the tape-recorder.

As ever, the company's particular strength lies in the creation of a hallucinatory atmosphere shot through with a sense of foreboding. The description of the house with its park and drive, near a railway, recurs like a refrain; so do references to a nearby plane crash. Crackling messages from the crew are heard from time to time. Once the train passes, deafeningly. Shafts of light cut shockingly through the empty state room like searchlights. Occasional gunfire is heard. This is old Continental Europe, we are led to believe: a land mass of boundaries, borders and disputed territory.

Weaknesses lie in the occasional banality of the symbolism. Assuming men's clothes, the women stride round the stage, cuffing the naked males into grovelling subservience. Mentions of the Father's house to which all places lead back and where all is played out suggest religious overtones. The girl's ultimate statement that "father's law became a hell they created for themselves" goes one further than Sartre's "hell is other people." Hell is you; and this creeper-covered château a four-star version of *Huis Clos'* infernal hotel.

The admirable cast consists of new style performers as happy playing Jeremy Peyton Jones's score on strings and saxophones as taking off their clothes. The show's tendency to lose impetus three-quarters of the way through is almost redeemed by the polish of Pete Brooke's technically accomplished production.

## USSR Symphony Orchestra

### Andrew Clements

Evidently music critics are deemed to be high security risks. Wednesday's Festival Hall concert by the USSR Symphony Orchestra was tightly and ostentatiously policed—memories of the pro-Shiransky demonstration when Arkhipova sang *Alexander Nevsky* there are evidently still fresh—and the measures taken included banishing the Press to the remotest extremes of the hall.

In the event the high profile vigilance proved ineffective. Shouting by Shiransky supporters broke out at the end of the first movement of Prokofiev's *Classical Symphony* and eventually 20 or so young demonstrators were removed. Thereafter the concert resumed its placid course. Given the circumstances, and a seat high in rear box, reports on the orchestra and performances must be partially provisional. But one can at least confirm an orchestral blend of remarkable unanimity—a string section of great depth, with cellos of particular articulacy, pleasant-toned if over effusive woodwind and a brass section never afraid to let rip.

Arvid Yansons, a replacement for the indisposed Yevgeny Svetlanov, indulged his orchestra's virtues overmuch in the Prokofiev symphony, making its points a little too emphatically, choosing unusually ponderous tempi. The tenth symphony of Shostakovich was a different matter altogether. A first movement of enormous breadth and richness, with utterly convincing string chording, made the best possible case for its claims as the finest of all Shostakovich's symphonic movements. In the scherzo also the virtuosity of the ensemble was a marvel, never losing its fine grain in the fiercest passages.

Between the symphonies Eliso Virsaladze was the soloist in Chaikovsky's first piano concerto. Hardly surprisingly she began nervously, but soon recovered full emphatic form, with secure technique (perhaps over-pedalled in some passages), and a fine sense of gently inflated grandeur, which the orchestral accompaniment seized upon with obvious relish.

## 1984 London Jazz Festival

The 1984 London Jazz Festival is to be held in Lambeth's Brockwell Park on the weekend of July 14 and 15.

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# Flaws in the cable Bill

THE Cable and Broadcasting Bill, which was published yesterday, is built around two major compromises. As a result, it is almost bound to prove unsatisfactory for most interested parties.

The first compromise is the attempt to finance an ambitious long-term goal—nothing less than a revolution in Britain's communications network — by making available a wide range of new entertainment channels. The idea, at least for the short-term, is that viewers of popular television programmes will fund the investment that will lead to a new world of two-way interactive communication.

### *Main objective*

The second compromise stems from the wish to attract entrepreneurs into the system without at the same time impoverishing the existing broadcasting services or surrendering a measure of statutory control over the quality and character of the new cable programmes.

These circles will prove very difficult to square. The way things are going, there is at least a risk that cable television will not bring attractive profits for its operators, will not lead to a worthwhile improvement in the choice of programmes available to viewers, and will not deliver entertainment in the most cost effective way. There is a view in the telecommunications industry that the dream of an efficiently integrated communications system is looking increasingly unreal.

This is because such a goal may be incompatible with the Government's strategy that cable investment should be privately financed and market led. The franchising system does provide operators with some incentive to develop facilities based on the most advanced technologies. But the operators' main objective will be to make their investment pay as soon as possible.

The main feature of the new legislation is the creation of a new statutory authority which will award franchises to cable operators and exercise a measure of supervision over the services provided. The first question is why such a body is necessary at all, given the existence of the Independent Broadcasting Authority which, among other things, has broadly similar responsibilities for commercial television.

The Government's answer, which is not wholly persuasive, is that the IBA might look on cable too narrowly in strictly broadcasting terms, and might also run into conflicts of interest if it tried to combine the two roles. Be that as it may, the new cable authority appears to have incorporated some of the IBA's worst features.

In particular, it has been given enormous discretion when it comes to granting licences. A variety of unspecific criteria will have to be taken into account, including such matters as the range and diversity of programmes being promised, the extent to which foreign-made programmes will be shown, and any proposals about related services.

So the authority will be left with a great deal of scope for subjective judgment when choosing between two applicants of broadly similar standing. And since the entry cost to the cable business is high, it will be unwilling to take the ultimate sanction even against an operating company which blatantly fails to fulfil its promises.

In the circumstances, more consideration might have been given to allowing market forces to work. Some form of auction system might have been devised for applicants who met certain basic standards. If, however, there are real advantages in awarding franchises through a patronage system, at the very least the criteria should be set out in much more detail than proposed in this bill.

### *Supervisory task*

The authority's role in supervising programmes is equally vague. Its executives must do "all that they can" to ensure such worthy goals as the exclusion of anything "which offends against good taste or decency or is likely to encourage or incite to crime or to lead to disorder or to be offensive to public feeling." Unlike the IBA or the BBC, however, the authority will not be responsible for the actual transmission of television programmes, and its monitoring role is likely to be much more passive.

All the same its supervisory task is likely to be an uncomfortable one. In attempting to balance between a sense of public decency, market forces, and the need to provide a real alternative to existing services, it is liable to fall flat on its back.

# Fresh goals for U.S. and Israel

THE OSTENSIBLE reason for the new strategic co-operation agreement between the U.S. and Israel is to counter what U.S. officials have described as "the confrontation and of its attempt weaponry in Syria" and "the threat to our mutual interests posed by increased Soviet involvement in the middle east."

On the surface it looks very much like a resurrection of the original U.S. perception of the Middle East problem as a key element in the wider East-West confrontation and of itse attempt to make its friends and allies in the region see their problems in the same light.

The main problem with this interpreation, then and now, is that the Arab protagonists in the Middle East imbroglio take a more regional and less global view of their problems. They attribute much of the tension in the Middle East to Israeli occupation of former Arab lands and the build up of Israeli settlements on the West Bank.

### *Domestic problems*

Israel alone was prepared to accept willingly the original U.S. viewpoint. This was a factor in Israel's decision to invade Lebanon and to eject the Moscow-supported PLO leader Mr Yasser Arafat from Beirut.

But, peace in the Middle East came no closer as a result. Heavy Israeli losses led to grave domestic political problems for the then Prime Minister Menachem Begin and his Defence Minister Ariel Sharon.

The subsequent partial Israeli withdrawal from northern Lebanon further muddied the waters by creating a vacuum which the reconstituted Lebanese army was unable to fill. This in turn led to a new phase in the Lebanese civil war whose result was to *increase* rather than diminish Syria's influence. Syria in the meantime had been hastily re-supplied with more modern and accurate weapons by the Soviet Union and some 7,000 Soviet military specialists to help man them.

Given this recent history it is surprising, to say the least, that the U.S. should once again have turned to a new strategic alliance with Tel Aviv as the best way of combating Soviet and Syrian influence.

It might perhaps have been more understandable if increased U.S. military and political support for Israel had been accompanied by Israeli concessions over its re-settlement policy on the West Bank, backing for President Reagan's Middle East peace plan, with its provision for Palestinian autonomy, or other concessions aimed at securing the support of moderate Arab states, such as, for example, willingness to take a fresh look at the Golan Heights. The U.S. has apparently won no concessions of this kind from Israel.

Continuing Israeli occupation of Syrian territory in the Golan Heights, however, is one of the reasons why Syria is so opposed to U.S.-inspired peace initiatives in the Middle East and why the Soviet Union, by supporting Syrian claims, still has some influence in the region.

Soviet influence should not be over-estimated. It was Syria after all which turned on the Soviet Union's other ally in the region, Mr Arafat, and it has shown in other ways that it sees its relationship with the Soviet Union as a marriage of convenience. Moscow is aware of this and is conscious of the risks it has taken in arming Syria and sending Soviet advisers there.

The latest U.S.-Israeli strategic agreement heightens the risk that Moscow's alliance with Syria could bring it into direct conflict with America. This is the last thing Moscow must want when its relations with Washington are already severely strained over the deployment of new U.S. missiles in Western Europe and when a power vacuum has emerged in the Soviet leadership following Mr Andropov's illness.

### *Increased leverage*

Under these circumstanuces Moscow is more likely to urge caution on its Syrian ally than to support risky policies of confrontation.

It is profoundly to be hoped that Washington will use whatever increased leverage the new strategic alliance gives it to urge moderation on Tel Aviv as well and not to provoke the kind of conflict which would add a new and more dangerous East-West dimension to an already fraught and dangerous area.

EEC SUMMIT

# Cash crunch in Athens

By John Wyles, Common Market Correspondent, in Brussels

IN THE lobby of the drab and functional Brussels offices of the UK delegation to the EEC, there is a notice board displaying three ageing government pamphlets relating to British membership.

One is called "The First Ten Years," another "The Budget Problem" and the third "A Positive Approach."

They have been posted there for so long that the current irony must be unconscious. Nevertheless, their titles, but not their contents, do offer a perfect *leitmotiv* for EEC heads of government when they assemble in Athens on Sunday afternoon for one of the most puzzling and crucial summits in the Community's history.

"The First Ten Years" would remind them that the decade of British membership has been neither an unqualified success for the UK nor a period of much distinction for the Community.

"The Budget Problem" was once just a familiar wrangle which regularly set Britain at odds with its partners over the size of the rebate needed to reduce its net payments to the EEC budget. Now, all the heads of government are only too anxiously aware that it also refers to the Community's inability even to finance current policies next year.

Unless the legal ceiling on the monies the Ten pass to Brussels is raised as soon as possible, most heads of government know that the EEC's agricultural support will have to be savagely cut.

Yet their political embarrassment does not only spring from the fact that they are presiding over a Community sliding towards effective bankruptcy. Spain and Portugal cannot be admitted into the Community without more revenue for the budget, and after six years of waiting the patience of both countries is nearly exhausted. Both have demanded a definite January 1 1986 entry date from the summit.

"A Positive Approach" is the minimum accolade to be accorded to the summit if, by Tuesday afternoon, it has reached agreement on the measures needed to control agricultural and other spending, to increase the Community's effectiveness through the development of new and existing policies and to establish a permanent cure for the British budget problem.

Thus the task facing the summit is complex and fundamental for the Community's future. It has to agree on the outline of an emergency economy package for the CAP to stop it bursting next year's budget. It has to agree on a framework of control for agricultural and other spending so as to satisfy Britain and Germany—a goal brought within reach by France's major initiative this week. It has to settle the British budget dispute for the foreseeable future and to establish some policy priorities for the next decade which show that the Community can face up to some of its most pressing industrial and social problems.

Mrs Thatcher enters the negotiations like a poker player carrying a royal flush against opponents who know her cards, but want to test her willingness to play them. Although under immense pressure, she refused at the last summit in Stuttgart to agree in principle to an increase in the VAT budget revenue ceiling—currently fixed at 1 per cent of a common basket of retail sales in member states.

She will refuse again in Athens unless she considers that the conditions she set at Stuttgart are met—effective control of agricultural and other expenditure and a lasting solution to the budget problem. On the instructions of the Stuttgart summit, foreign and finance ministers have had no fewer than 11 special meetings in an attempt to thrash out the elements of a package deal.

Many have taken place in the Zappion Palace in Athens, also the scene of the summit, especially and expensively converted into a meeting centre. This almost windowless building leaves many of those who use it with the sense that they are in a time capsule going neither backwards nor forwards but just away from reality.

The Ministers, too, it seemed, had left the real world behind. With the summit rapidly approaching, urgency has seemed lacking and progress glacial. Only a supreme optimist would say that there has been sufficient preparation of the detail of main issues to guarantee agreements in Athens that do not come unstuck later. Much will depend therefore, on sufficient political will being brought to the ngeotiations and also on the quality of the chairmanship of the Greek Premier, Mr Andreas Papandreou.

The Athens summit and its three leading players: President Francois Mitterrand of France (left), Chancellor Helmut Kohl of Germany (upper left), and British Prime Minister Margaret Thatcher (right)

Much has been unusual about the negotiations, but nothing more so than the relative absence of British isolation—a missing ingredient which has robbed the occasion of much of its charm for sections of the British media. On specific CAP reform issues, different countries have been sitting in different corners, but rarely alone. Sir Geoffrey Howe, the British Foreign Secretary might have found himself alone if he had continued to push for a cut in milk prices but he did not.

## French ideas for 'strengthening budget discipline' go well towards satisfying a key Thatcher condition

He has had the Dutch and West Germans alongside him for most of the time in pressing for effective control of expenditure and this week France planted its flag in this camp with one of the key initiatives of the negotiations.

The French ideas for "strengthening budget discipline" go a very long way towards satisfying one of Mrs Thatcher's conditions for an agrement on the VAT ceiling. They propose a radical change in budget making procedures on the basis of a principle Sir Geoffrey first enunciated last July: spending must be determined by available finance, and not the reverse.

Ministers of Finance would be brought into budget making for the first time; they would fix at the very beginning of the process the annual level of funding required from governments and be responsible for ensuring that all spending is kept within predetermined ceilings.

Crucially for the UK, the French proposal clearly embraces agricultural spending and contains requirements for subsequent economies if expenditure is excessive because of weather, currency changes or movements in world prices. Mrs Thatcher will seek to insert the requirement that the rate of annual growth in farm spending should be less than the rate of natural annual growth (through higher customs duties and levies and rising economic activity) in the Community's budget resources.

If she succeeds, she may think she is "home free" on one very important issue, despite the absence of convincing detailed arrangements on the specific reforms to the CAP which raise so many passions among interest groups. The Ministers have steadily backed away from the European Commission's proposals of July which sought to introduce a package of measures from January capable of saving well over 1bn European currency units (ECU) next year. Exemptions from the proposed punitive super levy on surplus milk production above 97.2m tonnes, and delays in introducing any reforms at all suggest that the saving will be much less. But Mrs Thatcher can be reasonably confident that the nettle will have to be grasped over the next four months.

Only on the question of how to solve the British budget problem have the British found it difficult to win allies. Nevertheless the confident Foreign Office smiles have never wavered—"if they want more money for the budget, they know what they have to do," is the conviction lying behind them. The smiles have broadened as the other member states have gradually proved unable to rally around an alternative proposition to the British "safety net" proposal.

This would limit all net payments to the budget by expressing the payments ceiling as a percentage of a country's gross domestic product. In the illustrative figures attached to its proposal Britain fixed its own budget limit at 437m Ecu (£250m) or 0.1 per cent of GDP which is broadly the "modest contribution" Whitehall thinks the UK should be making.

The idea itself is simple and also the British claim equitable because the level of the payments limit would be related to relative GDP. It also looks to the future. West Germany, the only other substantial net contributor, wants its payments limited. But so also may France which will have its budget burden markedly increased by the enlargement of the Community.

Other member states have raised objections in principle which the British believe are just a reflection of their reluctance to pick up the substantial costs to them of safety net limits. However, Mrs Thatcher could well have to accept an alternative mechanism which may be all that the summit can managed to agree in the time available. The actual reductions in British contributions would have to be settled later.

The question will then be: will she give a conditional acceptance in principle like almost all the other members to raising the 1 per cent ceiling? She will keep the others guessing until the very end, but if she refuses the summit could end in failure.

Any success will, in any case, be partial in the sense that many other details will have to be settled for final endorsement at the next summit in March.

It is already clear that the Community is going to look rather different as a result of this negotiation. The European Commission's steady loss of authority and influence has been confirmed by its inability to retain the initiative and to hold many of its proposals at the centre of the discussion.

If the French approach to financial discipline is adopted, the Commission's role in budget making will be constrained as will that of the European Parliament—a key French objective since Paris wants to limit the Parliament's ability to pile more money into social and regional spending.

However, the Parliament cannot be ignored and the possibility that it might reject the 1984 budget in two weeks' time is a powerful pressure on the summit to reach positive conclusions on future financing.

Finally, the new policy priorities the summit is being asked to endorse, centred on greater co-operation in research and development, reflect not only contemporary attitudes to thrift in public spending, but also the virtual collapse of desires to introduce new common policies with common binding obligations.

For the time being the "new Community" will concentrate on absorbing its new members, on trying to realise the founding Treaty's ambitions for a free internal market and on developing flexible arrangements for inter-government co-operation.

France has already been putting some of its own ideas into practice along the lines of the telecommunications collaboration agreement signed with Germany this week. At the same time it is developing its ideas for ad hoc "agencies" to be created under a Community umbrella which would promote certain high technology sectors and joint industrial projects. This prospect must now be taken more seriously because of the growing political support it has attracted from France, Britain and West Germany.

With the Richter scale of international tension rising, public support in the Community declining and the need for the governing parties to present a defensible record at next June's Euro-elections, the Athens summit is now lacking any external pressure to achieve. The heads of government have the opportunity and the occasion, but it will undoubtedly be a struggle to grasp the one and rise to the other.

# Men & Matters

## Picket pickings

Terry Roberts has been serving on the Warrington picket line in recent days—just as he has done on scores of other picket lines in the past five years.

Serving cheeseburgers and tea, that is. For with three converted mini pick-ups, Roberts, his brother Ted and an assistant, have found there is a decent profit to be made out of feeding freezing strikers.

"I just follow the strikes as they start," says Roberts, who claims to have taken £1,600 in one night earlier this week outside the Warrington printing plant of the Stockport Messenger newspaper group.

"I started with the firemen's strike and have just gone on from there. We did the Rolls-Royce strike earlier this month. You've got to make a living."

From his base at Stoke-on-Trent, Roberts uses television, radio, newspapers and his CB radio to follow the blow-by-blow course of Britain's labour relations before deciding where to alight next.

"The biggest profits are on strikes. You've got to keep your stocks up, ready to go at a few moments' notice. But what we make on a strike does us for the quiet periods," he says, dishing out another 90p cheeseburger.

Roberts had been looking forward to a strike at Ford's in January but it looks as if he might be disappointed there. As a man who does not like to bite the hand that feeds him, he is a member of the transport workers' union.

He would like to do more business at football matches, he says. But he is a bit wary. "There, you really do get trouble."



"I was beginning to think our Christmas Rush would never start"

## Pennock accepts

Lord Pennock, the former CBI president, has agreed to accept the leadership of UNICE—Europe's confederation of national industrial associations—I can reveal.

Unofficial confirmation of the appointment came as a mild relief yesterday to the otherwise gloomy atmosphere of the organisation's 25th birthday celebrations — a low-key affair held in Brussels.

As, by the Buggin's Turn rule, it should be a British posting this time, the organisation had assumed that the current CBI president, Sir Campbell Fraser, would slip comfortably into the seat due to be vacated by Signor Guido Carli at the end of this month.

But Sir Campbell's retirement from the chairmanship of Dunlop Holdings announced earlier this week left the organisation without a natural successor.

In hurried collaboration the CBI and UNICE are understood to have applied formidable pressure on Lord Pennock to fill what looked like being an embarrassing vacancy.

As a former CBI president he appeared the ideal candidate. But for a nail-biting time yesterday it was feared in Brussels that his heavy commitment as executive chairman of BICC would force him to decline any offers of further greatness.

In a compromise agreement between Pennock and Carli, Signor Carli has agreed to stay on until June next year, when Pennock will take over a role which has prestige as its only remuneration.

## Last Benn

James Benn's decision, disclosed yesterday, to leave Benn Brothers next March marks the end of a tumultuous year for the old-established publishers.

It began with a board-room revolution in December 1982 when Timothy Benn, aged 47, was unseated from the chair at Benn Publications, the largest subsidiary.

Six months later Benn Brothers was taken over by Extel. Now James Benn's imminent departure means that the company will be without a Benn in management for the first time since it was founded.

Extel has been well-served by its purchase so far. Benn's pre-tax profits for the six months to September were £446,000—almost double those of the same period the previous year.

Timothy Benn has been busily building up his own magazine empire since leaving. James Benn, aged 39, whose shareholding of some £400,000 (before capital gains tax) has been unlocked by the Extel take-over, has other no-less-energetic ideas for his immediate future.

He intends to indulge his unrequited passion for offshore sailing in a 35-foot cruiser/racer which is at present lying on the South Coast, but which he hopes to have in the Mediterranean in time for next season.

And after the call of the sea fades. Well, he admits to having "one or two publishing ideas—mere shadows" at the back of his mind.

## Midas touch

Bullion robbers are obviously becoming more skilled in anticipating the markets.

Back in 1980, the thieves who stole £3.5m worth of silver in London's East End suddenly found the market price had dropped through the floor. In a matter of weeks, their haul was worth less than a third of its original value

The men who raided the Brinks-Mat security warehouse last weekend and took three tonnes of gold have done a lot better.

In the past week, the price of gold has risen by nearly £15 an ounce. That gives them a tax-free capital gain (less handling charges) of £1.4m on top of their original £25m.

## No kidding

At least five Americans had flown over to London yesterday to buy their Cabbage Patch Kids at Harrods — and the craze which has seen U.S. shops stripped of the dolls seems to have crossed the Atlantic

Harrods sold 700 of the dolls this week; and the 300 remaining are expected to be snapped up within minutes of the store opening this morning.

Bemused Harrods' staff think the appeal of the doll — which is not pretty and smells like an ice-cream cornet — lies in its adoption papers. Each £24.95 doll carries its own "birth certificate" which enjoins its owner to love it and be "a good and kind parent."

Once this certificate is despatched to "Babyland General," the doll gets a birthday card from fellow Kids still waiting in the Cabbage Patch for adoption.

**Observer**

POLITICS TODAY

# Mrs Thatcher's contribution

By Malcolm Rutherford

*Here is what Mrs Thatcher might say to the meeting of the European Council in Athens next week.*

MR PRESIDENT, Head of State, Heads of Government, you will forgive me, I hope, if I begin by saying that this meeting seems rather small compared to the one which I have just attended. At the Commonwealth Conference in Delhi 45 nations were represented. Here, in the European Community, there are only 10. Yet there was at least one common theme, which I shall come back to in a moment.

May I also say, with all modesty, that when I became Prime Minister nearly five years ago I was not well versed in foreign affairs. I was deeply sceptical of the Commonwealth as it had developed. And I did not much like British membership of the Common Market, as I then tended to call the Community. If I had an international outlook at all, it was towards the United States of America.

Yet here I am almost a convert both to the Commonwealth and to Europe. Also, I have become something of a veteran in attending international conferences. Not all that many

**'We thought that Macmillan was a bit of a poseur'**

democratically elected leaders can have attended as many Commonwealth gatherings as I have. And I think that I am right in saying that I am now the longest standing Head of Government in the European Community. My ideas have changed very much over time and as a result of the international experience that I have gained.

The wing of the Conservative Party from which I came viewed with suspicion the internationalism of Mr Harold Macmillan and the Europeanism of Mr Edward Heath. We thought that Macmillan was a bit of a poseur in his attempt to be a mediator between East and West, though we have to admit that he did successfully respond to the Aldermaston marches—the original peace movement—by playing a role in securing the partial test ban treaty, the first real breakthrough in arms control.

We thought that Commonwealth conferences were a sham. Too often the British, having lost an empire, allowed themselves to be bullied by their former colonies. And it sometimes gave rise to delusions of grandeur. Successive British governments allowed themselves to believe that the country was somehow different from the rest of Western Europe because it had transformed an empire into a commonwealth more or less peacefully.

Mr Heath sought to react to that by transferring attention to Europe. But we thought that that was misguided, too. There was too much concentration on European integration, sometimes known as harmonisation.

Besides, as you all know, British membership of the Community turned out to be expensive—and still is. We did not see why we should spend money to subsidise other people's farmers to produce surpluses, and we still don't—another point to which I shall come back.

No learning curve is ever complete, though I am happy to tell you that ours is still rising. For a start, British membership of the Community, so long in doubt, is now assured. The result of the last general election is the proof of that. Only one major party campaigned against it. It was itself divided, and it fared disastrously. The Labour Party is now trying to put together a programme that will accept membership as a fact of life, even if—as is its right—it may seek to change the rules. Britain is now a full and loyal member of the club.

There is another reason why even some of the sceptics in the Conservative Party had come to that conclusion somewhat earlier. Europe is where we belong. As a medium-sized power, the only way that we can play our full role in the world is alongside other neighbouring like-minded countries. The problem with the so-called "special relationship" with the U.S., on which we have long fallen back, is that it is a relationship between unequals. Only Europe together can speak to the Americans, or the Russians, or the Chinese and the Japanese on a basis approaching parity.

As leader of the party, I have long been openly critical of the mistakes made in the 1950s: the lapse into inflation, into excessive public expenditure, and the failure to deal with trade union reform before the unions grew too powerful. But I have to admit that perhaps the greatest mistake of all was not to have joined the European Community at the beginning. For that we have paid

Mrs Thatcher, in Delhi last month for the Commonwealth Conference

That is one explanation for the quarrels with our partners during our membership so far. The Community was not shaped by us and did not fit us: our fault perhaps, but nevertheless a reality. Too often we appeared a reluctant, even grudging member.

Yet, although a late entrant, we are by now a mature partner. Anything that we say in criticism of the Community should not be read as a threat to withdraw or to disrupt, but as a genuine attempt at reform.

I confess to a similar error on my own part with regard to the Commonwealth. I now think that it is extremely useful for so many countries from so many parts of the world, and at different levels of development, to be able to gather together for consultations. And it is the relevance of the Commonwealth to the Community to which I wish to draw attention.

Some of you may have noticed something called the Goa Declaration, issued last Sunday. It called for the superpowers to show some political vision rather than continue to pursue negotiations on arms control at a purely technical level.

It is precisely that subject that we ought to be discussing here, as I am sure we shall. Nothing else in the world today is more important than the near-breakdown in the superpower relationship. Hardly anything else could affect Europe more. We shall not be judged kindly if we confine our discussions to oil fats, farm prices or even—I say it myself—to budgetary contributions.

Despite what I said earlier about Harold Macmillan, I now think that there is a pressing case for mediation between Washington and Moscow. The question is how to do it. It is clear that Britain can no longer do it alone. It seems equally clear to me that continental Europe cannot do it alone, either. Britain without Europe is nothing, but so is Europe without Britain. That means that we must act together.

If I digress now into some of the other issues which this meeting is about, I hope that you will bear in mind what I have just said.

To be blunt, Mr President, the common agricultural policy is unfair to Britain. It does not suit us. The British net budgetary is too high. We resent, in particular, the fact that so much of the money that we pay goes for useless purposes: namely the storing up of surpluses.

We welcome the latest French proposals, which seem to go a long way towards meeting our position. They would set a firm ceiling on farm spending. And we note with pleasure the way that they seem to echo the words of my colleague, the Foreign Secretary: "Income must determine expenditure, and not the other way round." If the proposals could be accepted by the Community as a whole, it may be that our seeming carping would stop.

But we are not there yet. And it seems to us that certain principles ought to be taken into account. We have never said—or if we have, I regret it—that Britain should not be a net contributor. After all, the sums involved are quite small if the reward is to be a united Europe. What we have said is that a large amount of Community spending is wasted, and that it is the British who bear the main share of the burden.

Demand for European agricultural produce is virtually stagnant. Yet production is increasing. We pay too much of the price for no obvious return.

My Government has no objection whatsoever to subsidising small farmers as if it were part of a social policy. We do it ourselves. We do object to subsidising rich farmers. We have no objection either to national aids to agriculture. On the contrary, if that is what individual countries want, the more of them the better. For that should reduce the demand for Community spending.

What we should like to see is more selectivity: aid to small farmers, aid to the poorer members, especially to Spain and Portugal when they join, and, we hope, eventually Turkey.

What we cannot, and will not, stomach, however, is that we should be asked to go on throwing money, quite out of proportion to our gross domestic product, down the agricultural drain.

You will understand, Mr President, that none of this is said in a spirit of recrimination. This is not the time for that. Nor is it the time for what is sometimes called British Gaullism—a policy of the empty chair or withholding of payments until we get what we want. That would be a petty and foolish act at this stage.

But you will also realise that the whole question of the common agricultural policy and the net British contribution has bedevilled British membership so far, almost to the detriment of everything else. That has helped neither us nor the Community.

If our proposals on the reform of the CAP and our contribution to the budget are not met in the not-too-distant future, we may have to consider

**'This is not the time for British Gaullism'**

much more radical measures. One possibility is that we might wish to withdraw from the CAP

It would not be an act of defiance or frustration. It would not be a signal that we want to disrupt the Community. It would be more an acknowledgment that after years of experience we have come to the conclusion that the best way for Britain to contribute to the Community is not through the CAP as it now exists. For the moment that is only a thought.

I beg you to understand, Mr President, that the main issue for Europe in the middle of the 1980s is not farm prices and the preservation of an agricultural policy, however admirable in its original aims. The issue is political unity and to that we are fully willing to contribute.

Thank you, Mr President, colleagues and friends.

## Lombard

# A banana skin in the City

By Peter Riddell

ARE THE current upheavals in the City a future banana skin for the Government? That is now the fear of a number of senior Conservative MPs following the completion of the Commons debates on the Bill to exempt the Stock Exchange from proceedings under the Restrictive Trade Practices Act.

Only about 15 to 20 MPs have so far taken any interest in the Bill. But the striking feature is that worries have been expressed by mainstream Tory members, not just mavericks. Their central concern is that the Government's deal with the Stock Exchange has triggered a series of changes about which Ministers are not only powerless but also do not appear to have a view.

Many City institutions clearly believe that minimum commissions will all go well before the original final date at the end of 1986, and that this will bring much closer the end of the present single capacity division of jobbers and brokers. But what is to be put in its place to protect investors? Mr Peter Tapsell, a partner in James Capel as well as a senior backbencher, gave the dire warning that the process could lead to the sort of aberrations and dangers faced by Lloyd's in recent years. Similarly, Mr Nicholas Budgen distinguished between the regulation of a closely knit village or club of 1,000 people and the need for a different framework in a more competitive world with outside involvement.

### Contradiction

There have been related worries about the extension of foreign ownership. Mr Tapsell said that a large number of firms were liable to fall under foreign control in view of probable U.S. and Japanese interest.

The Government's response has so far been inadequate. The view of Mr Alex Fletcher, the under-secretary for corporate and consumer affairs, that "the City and our financial institutions are perfectly capable of taking care of their own interests" begs the central questions.

As Mr Bryan Gould Labour's spokesman has pointed out, there is a contradiction between Mr Fletcher's assurance that "single capacity will stay for the time being" and his comments about a "dynamic and changing situation." There is likely to be a gap. It is not too early for ministers to say what form of investor protection they favour, especially as they have now received the report on the issue from Professor Jim Gower. Compulsory recording and immediate publication of all deals, as in New York, is the obvious system; why not say so now?

### Traumatic

The Government is right to reject the more narrowly nationalisic objections to foreign takeovers and to permit market forces to influence the new structure. Yet surely the Government has a view on how much of the gilt-edged market should be run by foreign-owned groups? After all, it is less than two years since the Bank of England was trying to prevent Hongkong and Shanghai Bank from taking over the Royal Bank of Scotland and that the latter's independence was being championed by a certain Mr Alex Fletcher, then the Scottish Industry Minister.

What is happening in the securities market is very similar to what occurred in the banking sector over a decade ago. But the opening up to major foreign involvement and the ending of monopoly price fixing in banking came in two stages, in the late 1960s and early 1970s. And that was a traumatic enough experience.

The upheaval in the Stock Exchange that is now starting could lead to problems. It would be better to have a regulatory framework in place soon to cope with any difficulties rather than to have a more restrictive structure imposed later after a possible scandal. At present the issue only features in the financial Press and pages but it may not be too long before events in the City become a political embarrassment—which is what the Tory MPs fear.

## Letters to the Editor

### Nuclear energy in Britain and the case for Sizewell B

*From Mr J. Baker.*

Sir,—Ian Jones' article on the Sizewell B inquiry (November 29) qualifies almost out of existence every main point made by CEGB in the 100 days so far devoted by the inquiry to "need and economics."

In what amounts to a restatement of the case put by the intervening group he represents (the Electricity Consumers' Council), Mr Jones arrives at his conclusion through a misrepresentation of the Board's case and by a very selective use of its evidence. It is a pity that his role in the inquiry was not made clear at the start of his article.

The Board has built its case for ordering Sizewell two or three years in advance of when it need do so for capacity reasons on three main arguments: cheaper electricity, diversity of primary fuel supply, and establishing the PWR option. The CEGB therefore sees no contradiction between the then Secretary of State's statement in 1979 and the Board's case for Sizewell B. It is the objectors who have paid little attention to the security of and diversity in primary fuel supply or to the importance of establishing the PWR option.

It is equally misleading to say that "CEGB has focused attention on the economic case for Sizewell in its own right" to the exclusion of wider considerations. It is the objectors who have tended to do so. The Board has tested its case against three different programmes for new generating plant investment, two including further nuclear stations and one without.

Turning to the question of construction time, quite simply the Board's arguments on the interpretation of U.S. construction experience are in practice little different from those of many of the objectors and are consistent with the views of the U.S. Department of Energy. What the objectors have challenged is the ability of the UK to transfer U.S. experience here in view of the alleged problems "first of a kind" of the pressurised water reactor to the UK. But the Board has given evidence that these problems have been successfully overcome in other countries and can be overcome here. The Board is still to make a major submission to the inquiry on project management and will then respond to Sir Alastair Frame's suggestions, most of which are close to the Board's own thinking. Broadly speaking, Sir Alastair does not appear to find it difficult to accept the CEGB's estimates for the time and cost to build Sizewell.

As regards world coal supplies, the Board quite agrees that large volumes of cheaper coals could be available from some sources; but in its view this would require a rather unlikely favourable combination of circumstances. It would not be a reasonable central case to plan on.

Mr Jones draws attention to the Board's assumption that the pound-dollar exchange rate will fall in real terms by 40 per cent between 1980 and 2000, but fails to point out that it has already fallen by some 30 per cent since 1980.

Again he demonstrates that on certain pessimistic assumptions the return on Sizewell B falls to 5 per cent (as is made clear in the CEGB's own evidence) but leaves it to his readers to deduce that this still meets the Government investment criterion and fails to point out that in the Board's middle-of-the-road case for Sizewell "in its own right" the return is over 9 per cent.

More broadly, the Board's economic assessment depends on identifying the return on investment over the likely range of outcomes—not on showing that it may not pay on some pessimistic combination of assumptions. The economics of Sizewell B are, in fact, more favourable than shown on Mr Jones' graph which gives no credit for retiring old generating capacity as a result of building Sizewell B and confuses rate of coal prices increase with rate of fossil fuel prices increases ie, coal and oil.

In considering the economics of deferment, Mr Jones does not bring out that, in the Board's view, the economic advantages of early construction of Sizewell B are particularly strong. It still pays to build early, even if coal and oil prices do not rise above current real-terms prices for another 12 years or so and if Sizewell B has significantly higher cost and worse performance than the CEGB forecast.

As with all technologies, improvements in design and performance can be expected! They are not a reason for forgoing economic investment now. That way, the best is always the enemy of the good. Nor is there a case for spending a further lengthy period reviewing options after the exhaustive assessments which have preoccupied the country for the past decade.

In summary, it is the Board's belief that its arguments for Sizewell B, based on economics, security of fuel supplies, and establishing the option of the PWR for use for later power stations (the so-called door-opening argument), remain robust and have been presented against a wide range of future circumstances. But, in the end, it will be for the Inspector, through the inquiry process, to judge these issues and for the Minister to decide.

John Baker.
CEGB,
*15, Newgate Street, EC1.*

*From the Chairman, South of Scotland Electricity Board*

Sir,—In your main leader on November 21, you categorise the choice of the advanced gas-cooled reactor as one of a long line of bad decisions in the nuclear field.

On behalf of the South of Scotland Electricity Board, which constructed one of the first AGR stations reasonably in line with budgeted costs, which has now more than seven years operating experience and is now constructing a further AGR station, I have to say that the assertions in your leader are not borne out by our experience.

One or two figures should suffice. In our last financial year 1982-83 the load factor of No 1 unit at Hunterston "B" was 82 per cent and the equivalent figure for No. 2 unit (discounting the period for biannual statutory inspection common to all power stations of whatever type) was approaching 90 per cent. Similar load factors are being maintained in the current financial year.

This construction and operating performance is, of course, reflected in costs. For 1982-83 the all-in costs of power from our 2400Mw Longannet station, one of the largest and most efficient in Europe, was 2.4p/kWh. The comparable figure for Hunterston "B," inclusive of all capital charges, operating and fuel costs and with provision for future decommissioning, etc, was 1.74p/kWh.

Possibly your comments were in respect of the export possibilities of the AGR and if so it has to be recognised that the export possibilities of any nuclear system are relatively poor. But, whatever prospects the AGR system may have would hardly be enchanced by misrepresentation and denigration.

D. J. Miller.
*Cathcart House,*
*Glasgow.*

*From Dr W. Cannell and Renee Chudleigh*

Sir, — Ted Pugh, project director PWR at the National Nuclear Corporation, indicates (November 29) an understandable reluctance to accept criticism of Sizewell's project management. He cites in his defence NNC's achievements in producing the documentation for the safety case "to be considered in the glare of publicity at the public inquiry." What he omits to say is that, because of the inadequacy of this documentation, the Nuclear Installations Inspectorate cannot licence the design until, at the earliest, 1985; the public inquiry cannot properly examine it because 80 safety issues remain "outstanding"; and any conclusions of the inquiry on its cost will be subject to modification (ie, escalation) because of future safety-related changes in design.

The facts are that the CEGB and NNC started on the pressurised water reactor design in 1977, and will have worked on it for at least eight years before they have something they can start to build. The inquiry itself did not start to add "numerous frustrations" until five years into this process.

Who is to blame? Not the NNC? Not the CEGB? Perhaps we should look to the PWR itself and realise that designing a reactor of this sort to decent safety standards but within the necessary price is something the Americans themselves have long since given up. The real implication of Mr Pugh's letter is that we should, too.

(Dr) William Cannell.
Renee Chudleigh.
*Friends of the Earth,*
*377, City Road, EC1.*

*From Lord Vaizey*

Sir,—Your fascinating report (November 28) on the denationalisation of electricity suggests a rearguard action by the Department of Energy which is almost breathtaking.

There are two excellent books on the history of the electricity industry by Mr Hannah which review every matter that Mr Hargreaves raises, and which suggest that a week at most would be sufficient time for a competent senior civil servant to draw up a position paper which would give a complete answer to all the questions that the Department is alleged to be seeking to explore.

Broadly speaking it is a matter of political choice and if there is sufficient will for the industry to be restored to private ownership then the answers are quite simple. There is no reason why different generating stations should not be owned by different companies which could collectively share the cost of maintaining the national grid. The establishment of a regulatory board for public utility pricing is a perfectly well-known method of dealing with the rest of the questions. The opinion that the Department of Energy is "rushing into privatisation" after four and a half years of Conservative Government is not really tenable.

Vaizey.
*House of Lords, SW1.*

FINANCIAL TIMES

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SECOND NEWSPAPER UNION TO DEFY COURT INJUNCTION

# Thatcher condemns print union

BY PETER RIDDELL AND PHILIP BASSETT IN LONDON

THE UK Government will not become involved in the present British printing dispute, Mrs Margaret Thatcher, the Prime Minister, said yesterday on her return to London from the Commonwealth conference in Delhi.

The opposition Labour Party has called on the Government to intervene to try to resolve the dispute, which centres round the Stockport Messenger group of newspapers in north-west England but led to the disruption of national newspaper publication last weekend.

On Wednesday the Appeal Court ordered that the printing union involved, the National Graphical Association (NGA), should have its total assets of an estimated £11m ($16m) seized. This followed the union's defiance of court injunctions to end mass picketing and its refusal to pay fines of £150,000.

In mass picketing of the Messenger's plant at Warrington, Lancashire, on Tuesday night there were violent clashes between 4,000 demonstrators and 1,200 police. On Wednesday night the scale of picketing was much smaller, with only about 800 present. A police spokesman said yesterday: "It was comparatively very quiet. No one was hurt all night.' This week's Messenger newspapers were able to be printed and delivered from the plant.

In the House of Commons yesterday the Prime Minister maintained that the conciliation service Acas was the right agency to find a solution."It is not the Government's function to take these matters over."

Mrs Thatcher condemned the use of intimidation and attempts by the NGA to prevent the company producing a newspaper by unlawful picketing – unlawful, she said, not just under legislation introduced by the present Conservative Government but under the criminal law which had been in place for decades.

"In these circumstances, the employer has rightly sought the protection of the law. The law is wholly separate from politics."

Mrs Thatcher faced calls to summon talks to settle the dispute from Mr Neil Kinnock, the Labour leader. He said the Government wanted to prolong the dispute for "political profit."

The Labour leadership has been thrown on the defensive over the past week by the dispute and the reports of violence at Warrington. Many Labour MPs feel that, in the short term, the party will suffer by association. The leadership has been placed in a delicate position, condemning the violence but also criticising the Government's recent employment laws which it blames for exacerbating the issue.

The dispute began over attempts by the NGA to enforce a "closed shop" – employment of union members only. Mr Eddie Shah, chairman of the Messenger group, subsequently dismissed six NGA men who were on strike.

In the House of Commons yesterday Mr Kinnock revealed that Mrs Thatcher had met Mr Shah on October 14 and challenged her to say if she had given him any advice.

The Prime Minister replied that she did not advise anyone on the law. Later, the Whitehall explanation for the meeting was that Mrs Thatcher had met Mr Shah at a social event at which 400 people were present.

Mr Norman Tebbit, the Trade and Industry Secretary and former Employment, Minister said in a typically robust speech last night: "The actions of the NGA and their union colleagues could effectively destroy all public support for trade unions. What has been happening in Warrington has put back the cause of responsible trade unions by many years." He dismissed claims that the dispute had been worsened by the Government's recent employment laws, which restrict legitimate union action. "Those people are there (at Warrington) in defiance of the common law of England and not in defiance of any Employment Act. I am claiming quite clearly that what is at issue there is a union's ambition to force a closed shop on people who have voted against a closed shop."

The NGA general council will meet today to decide on its next course of action. It faces the threat of further proceedings for contempt of court being brought by Mr Shah for this week's picketing. National newspapers are also seeking a total of £2.5m in damages for last weekend's stoppages.

The prospect of further confrontation between trade unions and the courts arose yesterday when, in a separate dispute, the National Union of Journalists (NUJ) told the Appeal Court it would not obey a High Court injunction granted to Dimbleby Newspapers. This arose after production of the company's Richmond and Twickenham Times, in south-west London, was switched to a non-union business, TBF Printers in Nottingham.

The company is controlled by Mr Christopher Pole-Carew, who also runs T. Bailey Forman, publishers of the Nottingham Evening Post. The NUJ has for long been in dispute with T. Bailey Forman. Union members at Richmond refused to handle work due to be sent to TBF Printers. Mr David Dimbleby, a well-known broadcaster and head of Dimbleby Newspapers, then successfully appealed to the High Court for an injunction against the NUJ.

The High Court decided that although the two companies TBF Printers and T. Bailey Forman were under the same legal control, with the same managing director and premises, they were "separate legal entities." The NUJ's action was therefore not held to be in furtherance of a trade dispute.

NUJ officials, in refusing to obey the injunction, argued that the separate nature of the two companies was an extremely obscure point.

# Former Calvi aide arrested

By Alan Friedman in Rome

SIG ROBERTO ROSONE, general manager and deputy chairman of the failed Banco Ambrosiano and a key lieutenant to the late Sig Roberto Calvi, was arrested yesterday morning in Milan when the Guardia di Finanza, Italy's fiscal police, launched a dawn raid which netted six former officials of the bank.

Sig Rosone, who was shot in the legs by a prominent gangster from the Rome underworld in April 1982, has been charged with fraudulent bankruptcy, currency violations and with providing banking facilities for the purchase of shares in Banco Ambrosiano.

In a related development the Milan magistrates investigating the Ambrosiano affair yesterday secured a summons for Sig Carlo Pesenti, the 76-year-old Italian financier whose dealings with Banco Ambrosiano led to his purchase of nearly 4 per cent of the bank shortly before its collapse. Sig Pesenti, whose major holding is the Italcementi group, was forced by the collapse of Ambrosiano to sell Istituto Bancario Italiano to Cariplo, the Lombardy savings bank, for L550bn ($336m). He now lives in Monte Carlo.

Milan magistrates also authorised the arrest of Sig Franco Barlassina and Sig Fedele Ruggiero. Sig Barlassina is an administrator of Sig Pesenti's group and Sig Ruggiero a former director of Ambrosiano. The magistrates have frozen the assets of all those arrested.

None of the arrested bankers had anything to say yesterday, except for Sig Rosone, who apparently told the police he was concerned about his health. He suffered a heart attack last year.

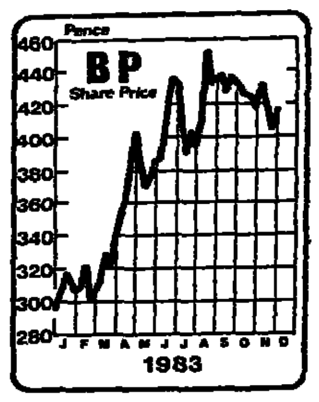
Sig Rosone, who is 55 years old, spent his entire career at Banco Ambrosiano, mostly on the domestic banking side. Some time before Sig Calvi was found dead beneath Blackfriars Bridge in London Sig Rosone attempted to replace the chairman on a temporary basis. Sig Rosone discussed the plan with officials in Rome, but it never came to fruition.

In April 1982, as the knot tightened around Banco Ambrosiano, Sig Rosone was shot outside his Milan flat by a man who was then killed by Sig Rosone's guards and later identified as an important figure in the underworld.

The Milan magistrates who authorised Sig Rosone's arrest allege that he participated in a scheme whereby seven top Ambrosiano officials paid L70bn for 1.1m shares in Banco Ambrosiano which were already held by the bank. Some of these shares, it is alleged, were "parked" for a period which coincided with the distribution of a dividend payment to a company controlled by Sig Pesenti.

THE LEX COLUMN

# BP holds its course




The curtain goes up on Opec's next cliff-hanger a few days from now. But the markets were giving a preview yesterday, transferred overnight from Wall Street, of the sort of jitters which can be expected in the oil sector after a month's growing nervousness about further crude price collapses.

BP's shareholders – and most especially those who bought some of the Government's stock at 435p because of the longer-term prospects – should now resign themselves to a period of heightened uncertainty: the shares have to contend not only with Wednesday's Opec conference but the first rumours, too, about the current drilling programme's luck in Alaska and China. Still, they managed yesterday to overcome the sector's general setback. They closed up 2p at 416p after better-than-expected third-quarter results – net profit has risen to £324m from £213m a year earlier – and there seems no reason to feel any less confidence than before in the fundamental progress of the group.

Admittedly, the dramatic improvement in BP's downstream operations has slowed a bit in the latest three months. July's stronger dollar has meant a boost for stock profits, with the cost of sales adjustment emerging at £85m. This has left net income on the replacement cost basis at £239m against £103m last year. But the dollar's move has also eaten into BP's European oil trading margins, pushing profits here below first-half levels. Similarly, in chemicals the improvement of the earlier quarters has slowed though there are good reasons, cyclical as well as seasonal, to hope for renewed gains here.

Outpaced for the moment by Shell in these downstream areas, BP is also a little behind Shell in upstream volume growth. Nevertheless, the impact of the Magnus field is evident and growing, cash flow is running strongly, with debt of £946m repaid so far this year, and net income for 1983 now looks set to exceed £900m.

## Royal Bank

After a horrible first half, when it was sometimes lending money to blue chip customers for less than it cost to raise on the interbank market, Royal Bank of Scotland has gratefully seen its margins reappear in the six months to September.

The figure which counts – the operating surplus – showed a half-on-half improvement of 37 per cent to £74m.

Although Williams & Glyn's has mounted a successful drive for current account deposits the group is becoming increasingly exposed to the wholesale market. As a result, effective margins are growing more highly geared to the gap between base rates and the cost of interbank money, a relationship which has at least been running in its favour lately.

The same is also fortunately true of bad debts, for which the bank has provided £9m less in the second half, feeling marginally happier about the solvency of its borrowers.

The bank has even managed to post full-year profits £5m higher, at £95.5m. This takes in £7m above the line for the rather non-recurrent sale of a surplus head office building, but presumably not too many banking analysts.

The shares moved up 8p to 158p, where they yield 6.9 per cent, and the price reflects persistent bid rumours rather than the bank's denials.

## Habitat/Mothercare

Habitat/Mothercare has done deals and changed its accounting periods with such alacrity since going public that the City of London was at a loss to know yesterday what the company might report for the first half of last year, let alone for the beginning of this.

As it turned out, a 23 per cent increase in pre-tax profits looked satisfactory but the absolute level of profits – £10.5m for the six months to September – disappointed and the share price slipped back to 276p. There was admittedly little in the statement for the market to quibble with. The group has caught a cold in Europe – where generally weak consumer demand has been compounded in France by the imposition of margin controls – but the U.S. is responding well to treatment and sales growth in the UK totalled 30 per cent at Habitat and 20 per cent at Mothercare.

Habitat, however, is valued at a considerable premium even to the stores sector, and the market was anxiously looking yesterday for some validation of a p/e which, assuming stated pre-tax profits of £28m this year, works out to around 19, fully diluted and on a 40 per cent tax charge. And yesterday there was not much evidence of the Conran magic on display. Across the group, volume has risen by only 4 per cent in existing stores (broadly in line with the UK retail average) and the problems in the further flung corners of the empire only encouraged fears that the group's management is being overstretched.

Habitat has, however, always produced the goods in the past and the group remains confident that it can apply its formula to new areas of specialist retailing. The next challenge is obviously Richard Shops. After that, who knows?

## VG Instruments

VG Instruments has timed its offer for sale with every appearance of scientific precision. The battle for control of the company's ultimate parent, Eagle Star, has already focused attention on the issue, while the recent success of the Oxford Instruments flotation will presumably rub off on the newcomer. Finally, the company's management could hardly have hoped for a more buoyant equity market backdrop.

Its recent record has, by the standards of the industry, been both uneven and unexisting. Pre-tax profits growth has averaged about 15 per cent over the past four years, a far cry from the 35 per cent reported by Oxford Instruments. Moreover, the consistent cash surpluses suggest a shortage of attractive investment opportunities in VG's markets.

The company does, however, display impressive defensive qualities. Its sales are broadly spread, on both a geographical and product basis, while it appears well established in its principal markets. In mass spectrometry, which accounts for just over 50 per cent of overall turnover, VG can claim a 40 per cent market share.

# Supreme Soviet date set

By Anthony Robinson in London

THE Soviet Union announced yesterday that the winter session of the Supreme Soviet will take place in Moscow on December 28, nearly two months later than usual. It is expected that the meeting will be preceded by a session of the 322-member central committee of the Communist Party. The two meetings will discuss, inter alia, this year's economic performance and set economic targets or 1984.

Both meetings are believed to have been delayed because of the ill-health of Mr Yuri Andropov, the state and party leader. It is not known whether Mr Andropov, who has not been seen in public since August 18, will be well enough to chair the two meetings.

Mr Andropov had been expected to visit Sofia, the Bulgarian capital, to chair a meeting of the Warsaw Pact Military Council in early December. But the Soviet news agency Tass announced yesterday that Marshal Dmitri Ustinov, the Soviet Defence Minister, will now lead the Soviet delegation.

This is taken as further confirmation of Mr Andropov's continuing incapacity.

# Paris drops Leveque investigation

By David Marsh in Paris

THE FRENCH Government has dropped its judicial investigation into alleged infringements of exchange controls by M Jean-Maxime Leveque, the former chairman of Credit Commercial de France, one of the foremost commercial banks nationalised last year.

The ending of the affair, announced by the Finance Ministry in a communique yesterday afternoon, follows agreement between the bank, the Government and the French justice authorities over the payment of an out-of-court fine by the bank to cover infringements of regulations between 1978 and 1981.

This is the way that breaches of exchange controls by banks are normally settled in France. M Leveque has vehemently denied wrongdoing

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French banking and finance survey, Pages 11–14

# BBC and Visnews study cable TV news channel for Europe

BY RAYMOND SNODDY IN LONDON

THE BBC and Visnews, the international television news agency, have launched a joint study to test the feasibility of running a 24-hour television news channel for the European cable market.

Pilot tapes have aready been produced and are being evaluated. The aim would be to produce a continuous news channel delivery by satellite with sound tracks covering the main European languages.

The BBC is one of the major shareholders in Visnews, which also includes Reuters, and the Australian, Canadian and New Zealand Broadcasting Corporations. The BBC is the only Visnews shareholder actively involved in the feasibility study. But the other Visnews organsations are supporting the study and helping to pay for it.

If such a news channel is found to be viable it might operate as a television version of the BBC External Services, which are estimated to have a regular radio audience of about 100m around the world.

Visnews has 400 full and part-time correspondents all over the world and has been active for many years in organising daily satellite feeds from London to such countries as Japan and Australia.

The news feasibility project is further evidence that the BBC is seriously considering entering the cable programming market if the penetration of cable services becomes significant.

In October the BBC announced a feasibility study on the prospects for a European cable television channel carrying live performances from the opera houses and concert halls of Europe.

The arts study is a joint venture with Harold Holt, the concert management company, and Morgan Grenfell, the merchant bank. Mr Alasdair Milne, director general of the BBC, has hinted in public several times that the BBC might be interested in producing programmes for cable.

Senior BBC officials believe that the corporation could move relatively quickly to produce any education or pop music channel when, or if there is a cable market worth addressing in the UK.

Britain's Independent Television News (ITN) confirmed yesterday that it was also considering the possibility of offering a range of news services to cable operators in the UK and the rest of Europe. A study is being carried out with UPITN, the commercial television counterpart of Visnews.

The aim is to produce a European equivalent of Mr Ted Turner's Cable News Network (CNN) in the U.S. News on such fields as music and sport is also being considered.

# UK rejects specific limits on non-EEC cable programmes

BY RAYMOND SNODDY IN LONDON

THE UK Government has rejected appeals for specific quotas of British or EEC programming on the countrys new multi-channel cable television networks.

The Cable and Broadcasting Bill published yesterday, which will establish a cable authority and lay down the ground rules for cable operators, calls only for a "proper proportion" of European programming.

The cable authority will have the discretion to decide what a "proper proportion" means.

Organisations such as the Association of Independent Producers and Association of Directors and Producers said last night they were worried and disappointed by the Government decision. They had asked for a sliding scale of non-European programming and now fear the high proportion of American programmes needed in the early days of cable could become the norm.

Mr Leon Brittan, the Home Secretary, said in introducing the bill that operators would be expected to give priority to British programmes and other material from the European Community.

Regulation, he said, would be done with a light touch, but the cable authority would have "real teeth to prevent undesirable material appearing on cable." It would have to draw up a code of rules on the portrayal of violence.

The bill, which has been introduced in the House of Lords, will require that cable programmes do not offend against good taste and decency.

Mr Brittan said the Bill fulfilled the Government's commitment to maintain the momentum for cable development in the UK which had built up in the past 18 months.

The Government says the Bill provides a framework which allows a wide measure of freedom to develop in response to market forces. But it argues that enough safeguards have been included to maintain essential programme standards and allow existing broadcasters to maintain their wide range and quality. The cable systems will have to carry on the existing network services and future direct broadcast satellite channels.

The services involved are those which will be delivered over the new generation of wideband cable systems which can carry a minimum of 25 television channels.

Licences for the new services will be for an initial 12 years and then eight years thereafter.

The Bill, which should become law by the summer, will also give power to the Independent Broadcasting Authority to issue one or two contracts for satellite broadcasting. Because of satellite television, the life of the IBA which regulates commercial television and radio in Britain, will also be extended by five years to 2001.

The cable authority will also be required to draw up a code governing advertising standards. The amount of advertising on cable services is not to exceed the amount of advertising on Britain's commercial independent televisioin (ITV) except where specific exemptions are agreed. Such a case could involve a classified advertising channel, or a shopping channel.

The authority will be required to do all it can to ensure that the BBC and ITV will have the opportunity to acquire broadcasting rights of "protected events" on comparable terms.

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# Gulf Oil plan faces close vote

Continued from Page 1

more than 83m of its 166m shares if it is to carry its proposal, has been lobbying its shareholders for support.

Victory, however, has been made more difficult because many shareholders appear ready to abstain rather than vote in the company's favour and also because many of its 300,000 shareholders are small investors.

The investor group led by Mr Boone Pickens has spent almost $1bn since late summer in acquiring a major stake in Gulf.

The Mesa group believes the move will eliminate important shareholder rights and make it more difficult to persuade Gulf to spin off a substantial part of its domestic oil and gas reserves into a royalty trust, whose income flows directly to shareholders.

The idea of a royalty trust has been adopted by several small oil companies, including Mesa, but never tried on a major integrated company such as Gulf. Gulf's management believes it is unworkable and not in shareholders' best interests.

Mesa Petroleum has circulated a "black" book containing data to support its case and Gulf has countered with a "white" book to shareholders attacking Mr Boone Pickens' credibility and views.

Mr Philip Popkin, an investment manager with the New York Teacher's College Retirement Equity Fund, a major Gulf stockholder, said he would like to see Gulf's management compelled to provide additional information on the complex issues involved.

He suggested it would be in shareholder's interests for Gulf to seek independent outside advice.

## World Weather

| | | °C | °F |
|---|---|---|---|
| Ajaccio | S | 11 | 52 |
| Algarve | S | 21 | 70 |
| Algiers | C | 17 | 63 |
| Amsterdam | S | 0 | 32 |
| Athens | F | 14 | 57 |
| Bahrain | S | 27 | 81 |
| Bangkok | S | 28 | 82 |
| Barcelona | F | 14 | 57 |
| Beirut | S | 24 | 75 |
| Belgrade | C | -1 | 30 |
| Berlin | S | 0 | 32 |
| Biarritz | S | 10 | 50 |
| Blackpool | C | 6 | 43 |
| Bordeaux | S | 8 | 46 |
| Brussels | S | 1 | 34 |
| Budapest | F | 0 | 32 |
| B Aires | S | 31 | 88 |
| Cairo | S | 25 | 77 |
| Cape Town | F | 23 | 73 |
| Caracas | C | 29 | 84 |
| Casablanca | C | 19 | 64 |
| Copenhagen | F | -2 | 28 |
| Corfu | T | 13 | 55 |
| Dublin | C | 12 | 54 |

| | | °C | °F |
|---|---|---|---|
| Dubrovnik | C | 5 | 51 |
| Faro | S | 20 | 68 |
| Florence | F | 5 | 41 |
| Frankfurt | S | 1 | 34 |
| Funchal | C | 20 | 68 |
| Geneva | S | 3 | 37 |
| Gibraltar | Fg | 15 | 59 |
| Guernsey | S | 7 | 45 |
| Helsinki | S | -11 | 12 |
| H Kong | F | 20 | 68 |
| Innsbruck | F | 0 | 32 |
| Inverness | C | 11 | 52 |
| Istanbul | C | 8 | 46 |
| Jersey | S | 7 | 45 |
| Jo'burg | S | 24 | 75 |
| Las Palmas | S | 22 | 72 |
| Lima | S | 22 | 72 |
| Lisbon | S | 15 | 59 |
| Locarno | S | 11 | 52 |
| London | S | 6 | 43 |
| Los Angeles | R | 19 | 66 |
| Luxembourg | S | -1 | 30 |
| Madrid | S | 14 | 57 |
| Majorca | S | 15 | 59 |

| | | °C | °F |
|---|---|---|---|
| Malaga | S | 16 | 61 |
| Malta | C | 17 | 63 |
| Manila | S | 31 | 88 |
| Miami | C | 28 | 87 |
| Milan | S | 18 | 64 |
| Moscow | C | -9 | 16 |
| Munich | F | -4 | 25 |
| Nairobi | - | — | — |
| Naples | F | 7 | 45 |
| New Delhi | S | 25 | 77 |
| New York | F | 9 | 48 |
| Nice | S | 14 | 57 |
| Oporto | S | 18 | 64 |
| Oslo | C | -5 | 23 |
| Paris | S | 2 | 36 |
| Prague | F | -2 | 28 |
| Reykjavik | C | 2 | 36 |
| Rio de J'o | S | 32 | 90 |
| Rome | S | 8 | 46 |

| | | °C | °F |
|---|---|---|---|
| Salzburg | F | -3 | 27 |
| Seoul | F | 7 | 45 |
| Singapore | S | 31 | 88 |
| Stockholm | S | -7 | 19 |
| Strasbourg | S | 1 | 34 |
| Sydney | C | 20 | 68 |
| Taipei | C | 20 | 68 |
| Tangier | C | 19 | 66 |
| Tehran | - | — | — |
| Tel Aviv | S | 24 | 75 |
| Tenerife | S | 22 | 72 |
| Tokyo | F | 14 | 57 |
| Toronto | C | 3 | 37 |
| Tunis | C | 13 | 55 |
| Valencia | C | 16 | 61 |
| Venice | S | 7 | 45 |
| Vienna | S | -2 | 28 |
| Warsaw | F | -6 | 21 |
| Zurich | S | 0 | 32 |

Readings at mid-day yesterday

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

# Nicaraguan rebels offer

Continued from Page 1

period of several months in which the Administration has faced mounting difficulties in persuading an increasingly hostile Congress to fund the "secret war" in Nicaragua. Congress has only authorised $24m until next June to support the rebels, substantially less than Mr Reagan asked for.

Washington analysts suggested that the new offer might be intended to give the rebels a greater legitimacy and possibly pave the way for new efforts to reach a diplomatic solution with the Sandinistas, who have anyway said that they plan to hold elections in 1985.

Asked what the U.S. position would be in the likely event that the Sandinistas won the elections, senior Administration officials said simply: "if they win, they win."

The announcement came as opponents of Mr Reagan's Central American policies were expressing outrage at his veto in Wednesday of legislation renewing the requirement that he certify progress on human rights in El Salvador as a condition for continued U.S. military aid

Senator Claiborne Pell, the senior Democrat on the foreign relations committee, called the veto "a powerful blow against peace and justice in El Salvador"



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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday December 2 1983



# Higher deficit expected for Volvo oil subsidiary

BY KEVIN DONE IN STOCKHOLM

SCANDINAVIAN Trading Company (STC), the financially troubled oil trading and oil exploration subsidiary of Volvo of Sweden, has again been forced to increase its loss forecast for 1983.

Losses might rise to as much as SKr 475m ($59.7m) this year, the company said yesterday, compared with an estimated deficit of SKr325m–SKr375m announced two months ago.

Volvo, 58 per cent owner of STC, was forced to step in to rescue the company at the beginning of October with an injection of SKr 400m in new equity and subordinated loans.

Earlier this year, STC was close to being suspended from the Stockholm Stock Exchange for failing to provide adequate financial information to shareholders. Instead, it was fined SKr 550,000 by the exchange authorities.

Volvo is carrying out a far-reaching restructuring of the group and has moved in its own chairman, but it is still to find a new managing director to replace Mr Tedde Jeansson, who departs at the end of the year as part of the reorganisation.

Scanoil, the oil-trading division of STC, is being slimmed down with the phasing out of oil-product trading activities in New York and the closure of branch offices in Madrid and Lagos.

It was the New York operations that caused many of STC's problems, with certain oil-product contracts running up a loss of more than SKr 250m this year alone.

Overall losses this year will be higher than expected because of the decision to charge the 1983 results with most of the restructuring costs and other expenses, such as the writing down of some claims, in order to build reserves for the future in the balance sheet.

The company is still awaiting an evaluation of its oil and gas reserves in the U.S. – part of the Scandrill subsidiary – which, the board believes, have been entered in the books at higher than the market value.

# Dresdner boosts annual payout

By Our Frankfurt Correspondent

DRESDNER BANK, one of West Germany's biggest commercial banks, will boost its dividend for 1983 and strengthen reserves, thanks to another surge in profits after last year's already marked increase.

Dr Hans Friderichs, chief executive, said the bigger payout was possible despite the burden of further large write-offs and risk provisions in the bank's credit business.

These items included the involvement in last month's rescue of the private bank, Schröder, Münchmeyer, Hengst (SMH), which is understood to be costing Dresdner alone well over DM 100m ($37m).

Dr Friderichs stressed that Dresdner was little involved with IBH, the building machinery group which borrowed heavily from SMH and which is now trying to stave off bankruptcy.

Dresdner had made credit available to several enterprises which were taken over later by IBH, Dr Friderichs said. He indicated, however, that the sum involved was less than DM 10m.

He did not disclose the size of the dividend increase. At present the payout is DM 4 a share, to which it was cut in 1980 from DM 9 after a fall in profits.

Nor did he reveal exactly how much total operating profit the bank has made this year, though board members implied it was probably more than DM 1bn in the first 10 months.

Dresdner says only that its partial operating result, excluding some major cost items as well as earnings from own account trading, rose by 34.5 per cent in January-October to DM 942.5m.

The comparison is made not with the 1982 January-October figure but with five sixths of the figure for the whole of last year – a common practice among German banks.

A rise in the interest surplus by 15.8 per cent to DM 1.98bn was, above all, responsible for the improvement. The commission surplus was also up – by 9.1 per cent to DM 647m.

The interest margin improved from an average 2.6 per cent last year to 2.9 per cent in the first 10 months, though it is falling slightly now because of higher refinancing costs following the September rise in Lombard rate.

Business volume stagnated and total lending was up by only 2.6 per cent against the end of last year to DM 60.9bn. Short-term and medium-term lending was up. Longer-term fell as the bank sought to cut the risk of interest rate changes.

Dr Friderichs revealed that in its 1983 final report the bank would for the first time consolidate the results of its foreign subsidiaries, not just of its foreign branches.

In doing so Dresdner is making an early move to comply with European Community and pending domestic regulation aimed at giving banking supervisory authorities a better overview of international lending risks.

BANK CHIEF IN FLICK BRIBES CASE BOUNCES BACK WITH JOKES

# Friderichs shows his old fire

BY JONATHAN CARR IN FRANKFURT

DR HANS FRIDERICHS, Dresdner Bank's chief executive, put up a good show in the circumstances.

He told the assembled press how well his bank had been doing this year. He rattled on about the Japanese and American challenge to Europe with all the old fire he showed as West German Economics Minister in the 1970s. He even cracked a few mild jokes.

It was hard to believe that Dr Friderichs, aged 52, had just been charged with taking bribes in the Flick affair, that he and Dresdner now face months of uncertainty and probably damaging publicity as the law takes its painfully slow course.

Dr Friderichs is quite blunt about his position. He has been executive chairman of Dresdner for nearly seven years and he is not going to leave the job now.

He says he accepted no money from the Flick industrial group, either for his liberal Free Democrat Party (FDP) or for himself. He feels the charges, which involve his pre-Dresdner period, are therefore unfounded.

On Wednesday night, when he spoke to journalists, he still had no formal notification from the state prosecutor's office, although the action against him and others had been announced on Tuesday.

Dr Friderichs's decision to stand and fight comes as no surprise. He has always displayed a strong will, and an often abrasive personality, in his rise to the top in politics and business.

He was born in the Rhineland Palatinate and is an economist and lawyer by training. He worked his way up via provincial leadership jobs and, above all, through the FDP apparatus.

He entered the Bonn Cabinet in December 1972, when the so-called "Superministry" of Economics and Finance was split, with Dr Friderichs taking the former and Herr Helmut Schmidt the latter.

Five years later, Dr Friderichs made the jump to Dresdner, replacing the greatly admired chief executive, Herr Jürgen Ponto, who was shot dead by terrorists.

The last years have been tough for Dr Friderichs and Dresdner. It is rare in West Germany for a top politician to switch to a leading management job and Dr Friderichs has had to face the reserve of a lot of career bankers.

Expectations were high, too, that the new man, with his worldwide political connections, would haul Dresdner into line with the top German bank, the Deutsche Bank.

It has not happened that way. The second oil crisis, world recession and international debt problems all conspired to make the bank's international business tougher.

At home there has been costly involvement with, among others, the tottering steel sector and the troubled electricals giant, AEG-Telefunken.

It would clearly be unfair to lay all the blame on Dr Friderichs. The gap between Dresdner and the Deutsche, however, has increased – or perhaps it would be more precise to say the Deutsche has surged further ahead of other German banks.

Ironically, Dr Friderichs was able to announce this week that thanks to good profits Dresdner will boost its dividend. At the same time, he had to ask the supervisory board's chairman, Herr Helmut Häusgen, for temporary leave of absence if the Flick affair actually came to court.

That is not yet certain. It may be months before a decision is taken, and then perhaps many months more of court proceedings.

That means a big, continuous strain on Dr Friderichs – and a burden on Dresdner Bank, which did not even dream of a Flick affair when it signed on its new, prestigious, boss in 1977.

# Court blow to AT&T break-up

By Our Financial Staff

AMERICAN Telephone & Telegraph (AT&T) yesterday suffered a heavy blow to its strategy for the Bell system break-up when the Federal Communications Commission rejected its appeal on access charges and other divestiture-related costs.

AT&T had originally hoped to introduce access charges – aimed at billing local phone users for access to the long-distance network – on January 1.

However, the FCC had already ordered a delay in the imposition of the charges, which had attracted considerable controversy in Congress, until April 3, and the rejection of AT&T's latest appeal was not unexpected.

The FCC also said it would forbid AT&T to pass on to customers $108m in administrative costs for the divestiture. Unless AT&T could present evidence in justification, a further $279m for physical changes to the network would also not be passed on.

# Breitschwerdt to head Daimler-Benz

BY OUR FRANKFURT CORRESPONDENT

DR WERNER Breitschwerdt, head of research and development at Daimler-Benz, West Germany's most prestigious vehicle company, has been appointed new chief executive with immediate effect.

The supervisory board yesterday agreed on Dr Breitschwerdt as the successor to Dr Gerhard Prinz, who died of a heart attack in October aged 54.

It is not known if the decision was unanimous. Before the meeting there had been clear indications that the workers' representatives on the board would have preferred Dr Edzard Reuter, the finance chief.

However, Dr Breitschwerdt, aged 56, has long been known to have the support of Deutsche Bank, the biggest single shareholder of Daimler-Benz with about 28 per cent of the equity.

Born in Stuttgart, where Daimler-Benz has its headquarters Dr Breitschwerdt joined the company in 1953 and had been a member of the managing board since 1977. Among his achievements are development of the modern Mercedes cars.

# Italy changes law to aid debt-plagued Einaudi

BY JAMES BUXTON IN ROME

ITALY'S PARLIAMENT has amended a law on the rescue of companies in difficulties in order to bring help to the well known publishing house, Giulio Einaudi.

Einaudi, which publishes high-quality works of literature and art, is in serious financial trouble, owing to its large debt and sharply falling book sales.

The debt amounted to L32.8bn ($20m) in 1982, compared with turnover of L36.7bn.

The debt is said since to have reached nearly twice that level.

The Turin-based company faced the prospect of going into controlled administration, a form of receivership, which could have led to its liquidation.

After approaches to political leaders by the company, however, a parliamentary committee this week changed the conditions on admission to extraordinary administration, a different form of receivership, to enable Einaudi to qualify for it.

Extraordinary administration entails the company being put under the control of a government-appointed commissioner, and although it does not involve the Government injecting any funds, it enables the company to borrow from the banks

# Loss-making Condotte trebles capital to $46m

BY ALAN FRIEDMAN IN ROME

THE BOARD of Condotte, the Italian state-controlled construction group whose shares were suspended last Friday by the Consob stock market authority, voted yesterday to treble the company's capital to L76.44bn ($46.9m).

The increase in capital is designed to provide operating funds for the company, which has been hit by losses of L39bn in the first three quarters of this year.

The capital boost is also aimed at providing a psychological fillip for Condotte, which last Friday saw 500,000 of its shares sold in the Milan bourse at a 30 per cent discount to market price.

Condotte, which is 52 per cent-owned by the Iri-Italstat state holding group, hopes to see a restoration of its quotation on the Milan bourse within the next two weeks, probably at the start of the next accounting period in mid-December.

The capital increase will be achieved by a rights issue, to be underwritten by the Italstat parent company. Shareholders will be called to meetings in January and March to approve the increase.

Condotte also proposes to reduce the nominal value of its shares from L250 to L130 each. Before the suspension the official closing price was L155.

# Rising costs bite into J. P. Stevens earnings

BY PAUL TAYLOR IN NEW YORK

J. P. STEVENS, the U.S. textiles manufacturing group, yesterday reported a 15 per cent drop in fiscal full year earnings, largely reflecting the continuing costs and expenses related to its asset redeployment programme.

The company reported full year net earnings of $18.9m or $1.09 a share ($1.08 a share fully diluted) compared with $11.28m or $1.54 a share ($1.50 a share fully diluted) in the year ending October 29. Sales increased to $1.926bn from $1.814bn.

The full year earnings would have been considerably worse except for a better than expected final quarter. In the fourth quarter J. P. Stevens reported net earnings of $12.72m or 73 cents a share (72 cents fully diluted) compared with $8.87m or 61 cents a share (59 cents fully diluted) on sales which increased to $557m from $458m.

The company said the fourth quarter included a $2.2m or 13 cents a share credit from inventory adjustments against $6.6m or 46 cents

The company said that during the year it incurred substantial costs related to changes in a number of areas and programmes, some of which would continue into 1984 at a reduced rate. The company said these were costs which were not included in the original charge for redeployment of assets.

# Daf poised to launch $198m expansion

By Walter Ellis in Amsterdam

DAF TRUCKS of the Netherlands is to spend Fl 600m ($198m) in the next six years on the development of new heavy vehicles and new plant and machinery. About Fl 140m of the investment will be provided by the Dutch state, which has a policy of aiding only those companies with a strong likelihood of remaining profitable.

The development plan is aimed at strengthening Daf's position in the European heavy truck market.

A little under Fl 9m will be spent on improving Daf's facilities in Belgium, where it employs 1,800 people. The rest will be invested in the Netherlands.

# TWA pilots accept plan

BY WILLIAM HALL IN NEW YORK

TRANS WORLD AIRLINES (TWA), which is likely to be spun off as an independent stock market entity by its parent Trans World Corporation early next year, has reached agreement with its 3,000 pilots which will save the airline $51m next year.

TWA's management and other personnel have already agreed to cost reductions of $53m, but the airlines 9,000 mechanics and 4,800 flight attendants still have to agree to cost reductions of $60m and $33m respectively.

# Canadian bank stages strong profit revival

By Robert Gibbens in Montreal

NATIONAL Bank of Canada, the Montreal-based bank, has completed its rationalisation programme and made a strong recovery in earnings for the year ended October 31.

Fourth-quarter operating net profits were C$27.3m ($22.1m) or 86 cents a share against C$23.8m or 83 cents a year earlier, and for the full year C$89m or C$2.80 a share, against a net loss of C$9.2m.

Both periods exclude C$36.7m tax credit. Assets at October 31 were C$17.7bn, against C$18.7bn a year earlier. The bank is Canada's sixth largest.

The bank attributed the rebound in net earnings to the 25 per cent increase in net interest income and a decrease of 5 per cent in non-interest expense. Mismatching in loan and securities portfolios has been eliminated. Domestic loan losses declined but certain sovereign loans required special reserves.

Rationalisation reduced non-interest expense significantly and 30 more branches were closed, and a further 900 employees laid off. However, the bank's office network will remain stable.

Mr Michel Belanger, chairman, said the better trend continued in the current first quarter of fiscal 1984.

# INTL. COMPANIES & FINANCE

## The high citadel of Australian beerocracy comes under siege

BY MICHAEL THOMPSON-NOEL IN SYDNEY

CONSERVATIVE and logical, a "realist rather than a pie-in-the-sky type." That is how Mr Ron Brierley, the cricket-loving, 46-year-old bachelor chairman of Australia's Industrial Equity describes himself.

Alternatively, this diffident New Zealander, now based in Sydney, can be seen as one of Australia's most aggressive corporate raiders, given his track record, and the timing and astuteness of his move this week in launching a partial takeover bid for Carlton and United Breweries, Australia's biggest brewer.

CUB is one of the fastnesses of the Melbourne bluebloods, such as the Baillieu family. Its Bluestone Brewery, in Melbourne's Bouverie Street, is the high citadel of the Australian beerocacy, in addition to which CUB owns 49.4 per cent of Elders-IXL, the aggressive and diversified pastoral-to-food-to-finance group, whose recent sales and profits growth has been impressive.

It is this fortress to which Ron Brierley has laid siege, lauching a formal bid for 50m CUB shares at A$3.30 for the fully-paid shares and A$2.55 for contributing shares. IEL already owns 10.34m CUB shares, bought at around A$3 each. In addition, Mr Brierley could buy a further 40.13m CUB shares in the market place.

In other words, he is seeking to raise IEL's stake in Australia's biggest brewer from 4 per cent to between 24 per cent and 40 per cent, at a cost (including the A$30m already spent) of between A$195m and about A$330m (US$179m and US$304m).

For a man who says he was a "failed accountancy student" who came from a conventional working home in Wellington, Mr Brierley knows how to stir things up—the importance of his foray into CUB being that it could easily trigger a full-blown bidding struggle, with Elders-IXL launching its own bid for CUB so as to protect its independence.

CUB gained control of the new, enlarged Elders-IXL in 1981, after a furious battle in which two of the star players were Mr Robert Holmes à Court (reported to be watching the latest power play with studied nonchalance), and Mr Brierley.

Since then, CUB and Elders-IXL have bedded-down happily though it is reported from Melbourne that earlier this year, Elders-IXL (which has itself built up a small cross-holding in CUB of approximately 3 per cent) carried out detailed feasibility work on launching its own bid for CUB, presumably against the day when it needed to ward off a threat such as that now posed by IEL.

The personnel this time around include four of the strongest, most-respected, personalities in Australian industry—the chairmen of CUB and Elders-IXL, respectively Sir Edward Cohen and Sir Ian McLennan, and their chief executives, Mr Lou Mangan (CUB) and Mr John Elliott. Only Mr Mangan sits on both boards.

Apart from its stake in Elders-IXL, thought to be worth up to A$400m on the open market, CUB's investments include 25.5 per cent of the Hobart-base Cascade Brewery (the subject of a separate takeover offer from IEL), 23 per cent of South Australia's SA Brewing, and 20 per cent of J. Gadsen Australia, a packaging group. On some calculations, these three investments are worth A$100m-plus.

Overall, at Tuesday's closing price of A$3.55 per share — well above IEL's offer price of A$3.30, but lower than last night's closing price in Melbourne and Sydney — CUB is valued at approaching A$900m.

Mr Brierley is already showing a paper profit of around A$10m, and is thought to be faced by a variety of options, though it is thought unlikely that he is aiming for a full 40 per cent of CUB.

He might be happy to settle for prising Cascade Brewery free from CUB. Alternatively, he might be intent on acquiring around 24 per cent of CUB, the belief being that he has already vigorously shaken a promisingly laden tree, and is keen to see exactly what falls out.

Up to 20 per cent of CUB's capital is estimated to be in friendly hands — 3 per cent with Elders-IXL, 2 per cent with Ballarat Brewing, a little over 6 per cent with the Overseas Chinese Banking Corporation in Singapore, and various parcels with local institutions.

On this basis, and given the nature of Australian power struggles, the likelihood of new players joining the table has to be real.

Of the CUB-Elders-IXL relationship, Mr Brierley says it has "potential, but is untidy." In the view of an observer: "although it is equity-accounted, the 49 per cent stake (in Elders-IXL) confused the market, and depresses the CUB share price, so that its beer business, the best in the country, is undervalued. That is the central CUB problem, and it must be sorted out."

Both in Melbourne and Sydney, Mr Brierley is regarded as a shrewd operator who is both patient and minutely well acquainted with the idiosyncrasies of the Takeover Code.

IEL has major holdings in 27 listed companies, and in 11 unlisted ones. Its most important subsidiary is South Farmers Group, a diversified pastoral concern.

In his early 20s, Ron Brierley founded New Zealand's Brierley Investments. In 1966, he landed in Australia and acquired IEL, rescuing it from liquidation.

It is said that when he was a schoolboy, he sold his stamp collection to finance an investment newsletter. He is reckoned to be among Australia's 100 richest businessmen, with a personal wealth of A$25m.

As he showed this week, he can easily afford to crack a tube of Fosters or two.

### CUB advises rejection

**Carlton and United Breweries yesterday advised shareholders to reject IEL's offer of A$3.30 per share saying it could not take seriously an impartial bid pitched so close to the prevailing market price. It said IEL was seeking effective control without offering an appropriate premium.**

**Meantime, IEL bought 3.1m ordinary CUB shares yesterday, plus 400,000 contributing shares at prices up to A$3.85 per share. The closing price was A$3.68. If the price was right, IEL said: It would be back in the market today.**

**In *Melbourne*, Mr Robert Holmes A Court, chairman of Bell Group, said Bell was not interested in the CUB play, adding that IEL's bid was appropriately timed. "Anyone who underestimates Ron Brierley does so at their own risk," he said. "I do not know how high he will go, but I am sure he would not make a mistake."**

**The Hobart-based Cascade Brewery rejected IEL's revised A$4.50 a share offer, saying it was much lower than Cascade's stated net asset backing of A$5.59 a share. IEL has bought 15 per cent of Cascade's issued capital.**

## Prospects uncertain for HK futures market

BY ROBERT COTTRELL IN HONG KONG

TWO GROUPS vying to establish a financial futures market in Hong Kong are being stalled by government hesitation over whether such a market should be authorised and, if so, who should run it.

One contender is the Hong Kong Commodity Exchange, which deals in soyabean, sugar and gold futures. The exchange is the only body licensed by the government to trade futures in Hong Kong. The other contender is a group of 10 banks, including the Hong Kong Bank, Citibank, and Barclays. Both bodies have made written submissions to the government's securities commission, setting out their plans for a financial futures market.

While the two proposals differ in detail, they both agree on a first step to get the market established. Both groups would like to open trading with a contract based on the most popular local stock market index, th Hang Seng Index. Stock market trading is popular in Hong Kong with instituions and individuals, rich and poor. The HKCE and the banks agree that an HSI contract would generate immediate interest in the market, and would also educate a broad spread of investors in the often arcane principles of futures trading in general. Interest rate and currency contracts could then be added according to demand.

Yesterday the securities commission was due to consider whether it should recommend to Goverment policymakers that a stock index contract should in principle be authorised. In the event, the commission decided that it could not yet make a decision, and that the issue would require "further studies." A commission official said that no details could be given of what the further studies were, or how long they would take to complete.

A speech made earlier this week by Mr Robert Fell, securities commissioner, suggests that the commission may be worried about the effect of futures trading on the underlying local cash markets. "No-one in Government wishes to stand in the way of market innovation," said Mr Fell, ". . . but the contrary argument is whether our market has enough size to carry the new development. Are we at the moment too thin a market? Should we wait until we have thickened up a bit before we innovate further?"

Mr Fell is not the only Hong Kong official to be taking a cautious view of financial futures. There is some concern in government that Hong Kong dollar denominated interest rate or currency contracts could have a destabilising effect on the territory's monetary system, which has been badly shocked this year by political uncertainty. Last month, the Hong Kong dollar was linked to the U.S. dollar to halt a steep fall in its exchange value.

The HKCE want an HSI contract to start, followed later by a U.S. dollar interest rate contract, and currency contracts again in U.S. dollar/yen and U.S. dollar/DM. The HKCE has also analysed possible means of manipulating the Hang Seng Index through stock market trading, and argues that such manipulation would be detectable and preventable.

Supporters of financial futures argue that such a market is desirable to consolidate Hong Kong's position as a regional financial centre. Some also argue—despite the Government's reservations—that Hong Kong dollar contracts would provide the special local interest needed to generate a healthy market turnover and that such contracts would have a stabilising rather than a destabilising effect.

The group of banks says its research shows that a Hong Kong Kong dollar interest rate contract would be strongly supported by local banks and companies. Accordingly, its proposal is for a market offering in the first instance an HSI contract and a Hong Kong dollar interest rate contract. Later additions would include a Eurodollar interest rate contract and currency contracts matching the U.S. dollar with the yen and the D-mark.

The banks estimate that it would need some six months to put together its proposed financial futures exchange. The HKCE, operating with its existing trading floor and clearing system, says it could add HSI contract trading within a month of receiving government permission.

Such permission—for either group—may yet be some time coming. The securities commission will make its recommendation to the Government's executive council, which will make the final decision. If that were positive, new legislation would then have to be drafted for approval by Hong Kong's legislative council. The Government will also have to consider whether a financial futures market should attract any tax concessions to encourage local investors to deal in Hong Kong.

The indications are that, if Hong Kong does enter the financial futures sector, it will be some time after the rival Singapore market opens for business next spring.

## Wigmores lifts stake in BHP

WIGMORES, A subsidiary of Mr Robert Holmes A Court's Bell Group, now owns 5.36m shares in Broken Hill Proprietory (BHP) Australia's biggest company, or 1.56 per cent of BHP's issued capital, writes **Michael Thompson-Noel in Sidney.**

This makes Wigmores the second largest owned individual shareholder in BHP after the Australian Mutual Provident Society, which has 18.4m shares.

Wigmores' original offer of two of its shares plus A$1 in cash plus a free option per BHP share brought in only 792,000 BHP shares but Wigmores has since bought heavily, at an estimated average price of a little under A$13 per BHP share. The holding has a current value of more than A$73m (U.S.$66.9m).

Wigmores is soon to be renamed Bell Resources. BHP closed 20 cents lower last night

# TECHNOLOGY

EDITED BY ALAN CANE

DOMESTIC SATELLITE SYSTEMS POISED FOR GROWTH

## How to see Red Square in Staines

BY GEOFFREY CHARLISH

IT IS possible to walk into an office in Market Square, Staines, and see Russian television programmes as they are being transmitted from Moscow.

They come from a Russian satellite called Gorizont and are being received on a 1.2 metre dish and special receiver designed by a small new British company called Satellite TV Antenna Systems.

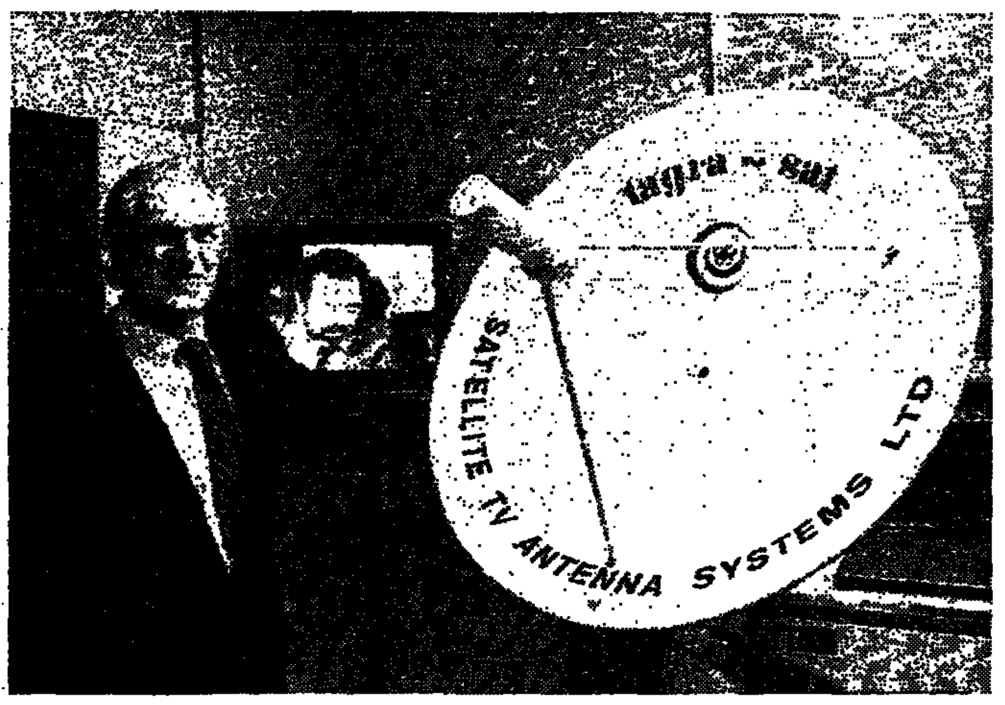
The company seems unlikely to stay small for very long, however, even if, for the *moment, the only programmes* available to private individuals directly from a satellite are, rather remarkably, Russian.

The reason is that within a month the European communications satellite ECSI, launched in the summer, will become operational and able to beam TV material into Europe, while Intelsat 6, it is understood, is being actively examined by British Telecom with a view to deploying up to five TV channels. This will be of considerable interest to the broadcast or cable TV operators and, according to SATVS, the general public.

All this is in the air, as it were, some three years before the deployment in late 1986 of Unisat, the £250m Marconi/*British Aerospace/British* Telecom project that will provide five channels, two of which have already been spoken for by the BBC but not yet finally signed up.

Unisat is a relatively high power direct broadcast satellite (DBS) that should enable individuals to receive TV direct using a dish of 0.6 to 0.9 metres in diameter. Currently, progress is being slowed by a standards disagreement between European countries. A disagreement that has not, of course, prevented Russian television appearing in Staines market square.

It concerns the use of techniques such as C-MAC or E-PAL for the downlink transmission to get the best possible quality of picture. According to the Staines company, there is a growing body of opinion that such sophisticated techniques are not necessary. They merely point to their Russian *pictures.*




Trevor Humphries

**Peter Gray, managing director, Satellite TV Antenna Systems, in his Staines, Middlesex office with a 90cm parabolic antenna which could be used for reception from satellites next year. On screen is live Russian TV channel Moscow 1**

The satellite people are in a race with the cable TV proponents to capture the "extra *viewing" market assumed to* exist beyond the conventional expenditure of £46 per household. The two markets however, can hardly be put in watertight compartments since the cable operators are highly interested in using satellite-borne material for further distribution over cable.

In addition, newer markets, such as SMATV (small master antenna television) will arise where multiple distribution of signals on *a relatively small* scale in hotels and blocks of flats will be exploited—as they are now in the U.S.

The question of who is, and who is not allowed, to receive *a signal arriving at his pre*mises from a satellite by precisely the same process as any other radio or TV broadcast is somewhat obscure in Europe. So therefore, is the question of who will be paying for what, and how.

Scrambling merely invites a "de-scrambler" market to appear and in the U.S. there is now to all intents and purposes an "open sky" situation.

It seems unlikely however that the bearer organisations such as Intelsat, Eurosat or British Telecom will enforce encryption in the early stages, *mainly to get as many receiving* points in action as soon as possible and stimulate the market.

In the U.S., some 14 satellites are available for reception by anyone and there is even a *half inch "TV Times" of satel*lite programmes called Orbit.

Perceiving all this. Peter Gray, managing director of *Satellite Antenna TV Systems* (SATVS) is moving his company forward as fast as possible to meet a domestic market which for SATVS alone could total £30m based on Home Office projections that assume a £150 to £200 domestic equipment price.

Gray, who is privately providing £100,000 to match another £100.000 from Hafren Investment Finance (part of the Welsh Development Agency) is *seeking a further £0.75m in the* City. He says he has equipment designed and in some cases prototyped to deal with any satel*lite TV signal frequency* or format, on a modular basis.

City reaction might well be favourable if events in the U.S. are any yardstick. There, it has just been announced that an astonishing $750m is to be provided on a nationwide basis by First National Bank of Wilmington, Delaware, for consumer loan financing of DBS terminals.

A probable basis for a loan to buy dish and receiver will be *no money down*, 72 *months* to pay and 16.9 per cent APR, according to the U.S. trade magazine Coop's Satellite Digest.

Gray thinks that this move alone will more than double the U.S. DBS retail market.

Gray's speed to the market in the UK in hardware terms is partly attributable to Steve Birkill, ex-manager of the BBC's Holme Moss TV station and "an acknowledged expert in satellite TV reception." He is now technical director of SATVS.

In addition, the company is using a glass fibre receiving dish design from Galt Glass Laminates which has been tested by ERA Technology at Leatherhead with guidance from the Royal Radar and Signals Establishment, Defford. *Gray says the results* were "very good."

SATVS is preparing a factory at Builth Wells, Powys, and aims initially to make 100 receivers a month with shipments starting February next year.

The company has wide market aims and in the U.S. and Canada is well advanced in negotiations for distribution, although it has, says Gray, already sold £0.5m of equipment to five organisations that supply domestic satellite equipment.

India, where INSAT has just become operational is in the company's sights, as are the Arab states, where ARABSAT goes up *next summer*.

By either making or importing, the company can cover all the frequencies from two to 12 GHz and can provide dishes from 1.2 to 7.0 metres diameter. More on 0784 61234.

MATERIALS TREATMENT

## Textile bonding that cuts industry costs

BY ANTHONY MORETON

PROOF that it is not necessary to be big to be innovative comes from Henry Hill (Dewsbury), a specialist in the production of *chemicals for the textile in*dustry, which employs just 14 workers.

Henry Hill has introduced a new textile bonding, lubricating and scouring agent which encapsulates yarn fibres in a temporary surface coating to aid weaving performance. The com*pany believes that productivity* increases from the use of the product, known as the HiBond T6 and 8 System, could be worth as much as £8m a year to the textile industry.

Trials have shown that HiBond can increase weaving efficiency by about 9 per cent as well as give other savings, enabling certain fabrics to be produced that previously could not be made profitably.

One feature of the new product is that it reduces the frictional contact of yarn with machine surfaces during weaving and, yet at the same time, increases the bonding of the fibres within the yarn.

This is vital for successful weaving performance with modern, high-speed looms. The proportions of *this lubricating* and bonding combination can be tailor-made to suit the type of yarn being woven at any time by individual customers. This is claimed to be the first time such a facility has been offered.

HiBond is the outcome of co-operation between Henry *Hill, Wira, the wool industry's* research and technical centre in Leeds, and Scott (Dudley Hill), the Bradford weaver which offered trial run facilities. The work was helped by financial support through the Department of Trade and Industry's technical inquiry service for small firms.

A major advantage of the new products is said to be that it is cheaper to produce and is more cost-effective than the products *it replaces. It is made* entirely of UK-produced raw materials and is biodegradable, non-irritant and non-flammable. It has the built-in ability to remove itself and other cloth contaminents in scouring, and a special version is available for wet setting treatments.

It is also claimed to give much improved weaving of material treated with it. Loom stoppages due to yarn breakage and entanglement are reduced as is the mending time after weaving when faults due to broken yarns or knots are repaired. The hidden savings in mending are expected to be as large as those from increased productivity in weaving.

Henry Hill was founded in 1870 and produces HiBond products for applications ranging *from glass fibre* to cashmere and silk, the original concept having been introduced to the UK textile industry 16 years ago by Mr John Brown who is responsible for technical development within the company. Henry Hill has been working on the T6 and 8 for two years.

The original aim was to develop a single product which would cater for the three requirements of bonding, lubrication and subsequent removal. In *the event, two HiBond* products have been developed which can be mixed to provide an infinite range of combinations to suit whatever yarns and fabric production conditions are being used.

Wira's work helped to establish the basic requirements in *the fibre bonding and lubricity* field and was critical to the success of the development. It involved finding a means of changing a basic lubricant in order to *achieve* the required characteristics of the new product.

Valuable help was also received from Dr Mike Dobb of the textile physics laboratory at Leeds University where the distribution of the surface coating provided by the product and *interpreting many electron*-micrographs were studied.



Computing

### Cost analysis

COST ANALYSIS software has been *written* for the IBM Personal Computer by Deloitte Haskins and Sells.

Called CostPlan, the package provides cost analyses for production and financial managers in the manufacturing industry. It costs £1,000.

A "*bill of resources*" specifying the quantities of materials, labour, energy and overheads of a product is used to output four indi*cators: unit cost and margin* of each product; its marginal cost; production costs by the resources employed; and by usage of each machine. More *from DH and S on 01-236* 3011.

Displays

### Six-in-one terminal

A "EUROBEE" terminal can also look like six other leading brands of display.

Beehive International claim that the direct emulation of Lear Siegler, ADDS, Hazeltine and Televideo terminals on its FT10 Eurobee video display unit is possible thanks to its Terminal Configuration Manager software.

The company claims that *this six-in-one emulator also* saves software costs, as the FT10 can display applications for any one of the terminals at press of a button.

Eurobee has a 14 inch green display which can tilt and swivel along with a low profile, detachable keyboard. *More from* Beehive on 0990 23377.

CHEAP PROGRAMMING SERVICES ARRIVE

## India aims software expertise at UK

INDIAN software houses are offering very cheap off-shore programming services to British companies but it might not be value for money according to the industry's trade body.

Mr Sudhindra Rao, co-ordinator of the Indian Trade Centre's efforts to increase its exports of electronics and software to the EEC—from which it has a grant and support—said that cheap labour meant that his country's software production costs were "at a conservative estimate 30 to 50 per cent cheaper than those in the West."

Mr Doug Eyelons, director general of the Computing Services Association, questioned the quality of software written cheaply off-shore in India. He added that India was "just looking to import work, not to increase the trade in software or computers.'" He added that he thought that very little by *way or innovative new soft*ware applications would come from the sub-continent.

Five of India's biggest software firms attended the Compec *exhibition* as part *of* their first-ever tour of Europe. Mr Rao said that these companies did develop unique software, and were looking for European distributors.

A *British company* Duggal-Williams, became one of the first to develop links with Indian software houses after its technology director, Mr Barry Williams, returned from a visit to the 120 plus Indian computer companies earlier this year.

*Mr Rao said that Dugal-*Williams was currently negotiating for the rights to distribute as many as nine different programmer productivity tools, "something of an Indian speciality." The company may well act as a clearing house for British collaborations.

Mr Eyeions said that the Indians have previously tried to make *commercial* links with British software houses, adding that "it usually means offering to write very basic elements of a computer program, *not to offer complete* packages which are ready to use."

PAUL WALTON

Measurement

### Pressure readings

THE lowest pressures can now be accurately recorded with an electronic transmitter from Babcock-Bristol.

Direct and differential pressures of between 0 and 15 millibars in water are claimed to be measured to within 0.35 per cent accuracy, producing a two-wire output of between 4 and 20 milli-Amps.

This pressure transmitter is suitable for use to control boilers, monitor air combustion, flue draughts and combustion chamber pressures. More from Babcock-Bristol on 01-686 0400.

# UK COMPANY NEWS

## Third quarter rise pushes BP to £617m

THIRD QUARTER profits of the British Petroleum Company, after tax and minorities, increased from £213m to £324m and pushed the figure for the nine months ended September 30 1983 to £617m, a rise of £153m.

This is equal to earnings per share of 17.7p (11.7p) for the three month period and 33.8p, against 25.5p, for the nine months.

Turnover was £8.03bn (£7.21bn) for a nine-month total of £23.53bn (£21.43bn).

On a replacement cost basis (which takes account of the cost of replacing oil stocks at current prices after adjusting for current cost of sales less minorities, profits were £239m (£103m) for the July-September period, and more than doubled from £354m to £723m for nine months.

Compared with the second quarter of the year, third quarter profits on the historical cost basis increased by £105m, but fell by £44m on the replacement cost basis primarily due to oil trading, chemicals and minerals. Oil trading margins came under pressure early in the quarter in many countries as dollar-based oil supply costs increased.

Improved results were achieved from North Sea production activities, however, and these, together with the group's share of income from Sohio, continued to be the major sources of profit.

Compared with £249m for the second quarter operating profits from oil and gas exploration and production activities amounted to £287m for the third quarter. This increase reflects increased production from the Forties Field and the first production from the Magnus Field, which came on stream on August 14 and is currently producing some 90,000 barrels per day.

The underlying oil marketing and refining result maintained the general improvement recorded over the past year, particularly benefiting from cost savings due to rationalisation.

The third quarter result in replacement cost terms, directors point out, was below that achieved in the previous quarter, and was particularly affected by the strength of the dollar in July and August.

On the chemicals side, the seasonal decline in demand in western Europe affected third quarter results, say the directors. However, the improvement over 1982 continued and the operating loss on the replacement cost basis was £33m, compared with £64m for the corresponding period.

Results of both BP Minerals and BP Coal continue to be affected by the weakness in world prices.

Sohio's contribution to group profits, on the historical cost basis was £192m, against £148m for the second quarter, the improvement, however, not being fully reflected within the replacement cost result, directors state.

On this basis the strong performance of refining and marketing operations continued into the third quarter, but there were reductions in non-petroleum activities. Sohio's share of production of Alaskan crude for the quarter averaged 680,000 barrels per day, including royalty oil.

Directors say that proceeds from the sale to 21 companies of 11.65 per cent of the Forties Field, all but two of which remain subject to the approval of the Secretary of State for Energy to the transfer of licence interests, will amount to £338m and give rise to a profit of some £200m, after tax. This will be dealt with as an extraordinary item in the annual accounts.

Capital expenditure during the nine months was lower at £2.4bn, compared with £2.6bn.

Over the nine months BP generated a surplus of funds of £363m which, together with a reduction in liquid resources has permitted the repayment of over £900m of borrowing.

| | Nine months 1983 £m | Nine months 1982 £m |
|---|---|---|
| Turnover | 23,528 | 21,431 |
| Cost of sales | 17,334 | 15,415 |
| Production taxes | 1,762 | 1,922 |
| Gross profit | 4,432 | 4,094 |
| Expenses† | 1,973 | 1,991 |
| Exploration expend. | 429 | 414 |
| Other income | 396 | 532 |
| Operating profit | 2,426 | 2,221 |
| Interest | 436 | 539 |
| Pre-tax profit | 1,990 | 1,682 |
| Tax | 967 | 844 |
| Minorities | 406 | 374 |
| Net profit | 617 | 464 |

†Distribution and administration.

See Lex

### HIGHLIGHTS

British Petroleum is the latest of a series of FT Industrial Index stocks to report on recent trading performance and Lex looks at a buoyant third quarter upturn with saw profits strongly ahead of their level of the April-June period. The column notes that the market was somewhat disappointed with BP's downstream trading. Royal Bank delivered a cheering second half upturn, influenced in large part, by the cheaper level of wholesale funds and a welcome fall in the level of bad debt provision. V G Instruments is coming to the market with an offer for sale and, discussing the pricing mechanism, Lex believes that this is a highly auspicious moment at which to make a market debut.

## Sterling Guarantee up £3.8m at midway

INCREASES OF some £1m in both the property and service industry divisions, and a reduction of a similar amount in interest payable has helped boost the first half profit of Sterling Guarantee Trust to £5.49m, compared with £1.62m in the corresponding period.

This is a continuance of the group's recovery. The interim dividend is raised from 0.26p to 0.325p net, and the directors are forecasting a final of 0.585p, against 0.45p.

In the first half to September 28, 1983 the group, formerly called Town and City Properties, produced net income of £9.32m (£8.32m) in the property division, £4.41m (£3.24m) in the service industry side, and £720,000 (£6,000) from investment income. Interest payable came to £8.96m (£9.94m). Gross income from property totalled £23.92m (£21.6m).

Tax takes £997,000 (£2.43m credit) and minorities £38,000 (£27,000), to leave the net profit at £4.45m (£4.03m). Earnings are shown at 0.9p (0.69p).

Capital profits of £6.14m (£2.2m) have been transferred direct to capital reserve.

It is expected that Rowe and Pitman will be appointed joint brokers to the company.

### ● comment

Sterling Guarantee's long awaited return to profitability in the last financial year is being consolidated with the additional boost of investment income, now borrowings have been brought down to an acceptable level. The management is not expected to waste too much time before making an acquisition, being expansion minded and with a reputation for moving fast when it sees an opportunity. Its £4m profit from selling its 3 per cent BET stake goes through to the capital reserve. The second half is usually better than the first and with shopping rentals firm and the service division (catering and exhibiton servce) dong well, pre-tax profits of £13m seem attainable for the year. The declared 30 per cent increase in dividend for the year should be repeated for the next couple of years. The shares up 2p at 44½p yield 2.9 per cent and sell on a prospective multiple of over 15 on 20 per cent actual tax. The discount to net asset value has all but disappeared—prompted in part by the possibility that STG might be used to ward off Trafalgar from taking over P & O where STG was a 4 per cent stake.

## UK, America push Habitat Mothercare above £10m halfway

FOR THE half year ended September 25, 1983, pre-tax profits of Habitat Mothercare have advanced by 27 per cent to £10.54m, and trading since then has maintained its momentum.

The group is in its first "natural" 12-month accounting period since the merger of the two combines in January, 1982. Its expected dividend policy is that the interim will represent about one-third of the total, and the directors have declared an interim of 2p per share.

Half-year sales rose from £137.42m to £176.05m, excluding sales taxes, and the trading profit moved up from £10.31m to £13.23m. The chairman, Sir Terence Conran; reports good increases in the UK from both Habitat and Mothercare, and "most satisfactory" operations in the U.S. with solid rises by Conran's and further reductions in the losses of Mothercare.

Europe, however, remains generally dull. Habitat, like other French retailers, still suffers from the current economic malaise there, while Mothercare activities elsewhere in Europe are disappointing, "but have yet to receive our full attention."

At the end of September the group was trading through 512 outlets of which Habitat and Heal's accounted for 78 and Mothercare 434. Including Richards Shops, acquired since the half year, the group has more than 700 outlets.

Sir Terence says that refreshing the Mothercare image in the UK is showing "most encouraging results." Habitat is trading strongly with "especially dynamic prospects" in the U.S., and he is convinced that the downturn in France is temporary.

Mothercare's new teenage shop venture, Now, has made a promising start, while work on revitalising Heal's is well under way. Real benefits from Richards Shops will only begin to flow in about two years' time. He expects this business to derive great advantage from direct access to the group's retail systems and marketing expertise.

The capital of Richards Shops is owned as to 48 per cent each by the group and Morgan Grenfell, and 4 per-cent by the management. In both cases there are medium-term options for the shares to be acquired by the group.

In the half year there was a profit on sale of properties of £575,000 (loss £37,000) but net interest paid came to £1.17m (credit £30,000), and the provision for employee profit-linked share plan was £250,000 (£179,000). Tax took £4.22m (£3.14m) and earnings were shown at 6p (4.9p) basic and 5.5p (4.6p) fully diluted.

See Lex

## Exchange rate helps Scapa reach £7m

FOLLOWING an upturn in profits from North America, Scapa Group has produced higher interim pre-tax profits of £7.7m, compared with £6.68m. The directors point out that this "substantial" increase in profits for the six months to the end of September 1983 was helped by the movement in the dollar exchange rate.

Turnover of this group, which is engaged in the manufacture of engineered fabrics for paper and board machines and for filtration, expanded from £49.64m to £56.44m.

The net interim dividend has been lifted from 3p to 3.15p. In the last full year a total of 7.6p was paid from pre-tax profits of £15.66m (£13.59m). Earnings per 25p share increased from 10.4p to 11.6p at midway.

At the operating level profits increased from £7.66m to £8.95m and broke down as to UK £1.27m (£1.21m) and North America £6.86m (£5.65m). There was also a contribution from other countries of £826,000 (£795,000).

Net interest payable rose from £988,000 to £1.25m.

Tax amounted to £3.92m (£3.27m), which included £3.27m (£2.72m) payable on overseas interests.

Minorities came to £75,000 (£83,000) and there was an extraordinary debit last time of £203,000.

## 600 Group loss but 'marked recovery' seen

WITHOUT ANY surplus this time on the sale of properties, against £3.36m, the 600 Group, machine tool manufacturer and engineering products concern, suffered pre-tax losses of £349,000 for the 28 weeks ended October 15 1983, compared with £2.45m profits in the corresponding period last year.

The interim dividend is maintained, however, at 2.34p net per 25p share—last year's final payment was 2.91p and, including a £4m surplus on property sales, the pre-tax total was £3.29m.

The directors explain that in considering the dividend, they have taken account of the substantial additions to reserves over the years immediately prior to the economic recession, and the expectation that, as well as substantial realisation from the sale and development of properties, a marked recovery in trading will be shown in 1983-84.

Excluding the property sales, group invoiced sales for the 28 weeks were unchanged at £68m and trading loss was lower at £952,000, compared with £1.34m.

Loss included associate profits of £603,000 (£431,000) and was before a tax charge, down from £920,000 to £407,000.

The company is continuing to push forward the sale or development of surplus properties and has a number of interesting projects in hand, some of which will be completed before the end of this year, directors state.

Noting the reduction in the first half, they say that the company expects this progress to continue, although possibly still slowly in the second half

The severe cutbacks in the number of people employed, they add, together with "drastic reorganisation," is giving reduced overall costs and should augur well for the company's future.

Below the line in the P and L account there were extraordinary credits for the period of £320,000 (£261,000 debits) which comprised of a release of provision for reorganisation costs and associate's investment gains.

Before the same items loss per share was 1.8p (earnings 3.6p) on a net basis, and 0.6p loss (5p loss) on a nil distribution basis.

### ● comment

It looks as if the 600 Group has significantly reduced its trading losses, although the precise scale of the improvement is not clear. The group says that a decrease in interest payments was roughly cancelled out by £200,000 of redundancy costs taken above the line. The biggest improvement came in the U.S. machine tool business, against a lesser upturn in the UK in line with the different pace of industrial recovery on both sides of the Atlantic. However, it still seems that the group will be paying dividends out of reserves or property sales until 600 Fanuc Robotics and SCAMP take over the running from its traditional low-tech activities. If that strategy works, the group may well change from the income stock it is at the moment into a capital growth investment just as profits start flowing through again. Meanwhile, the shares, which rose 3p to 61½p, are supported by net assets of 156.5p and an historic yield of 12.7 per cent.

## Stewart Nairn back in profit at £1m

FOR THE 15 months ended June 30, 1983, international property development concern, Stewart Nairn Group turned in taxable profits of £1.07m, compared with losses of £119,000 for the previous 12 months. Turnover expanded from £1.35m to £3.87m.

The directors say that the period has been "very successful" for the company and they anticipate further growth of net assets during the current year.

There is as yet no dividend, but a scrip issue on a one-for-two basis is proposed.

Tax charge was £414,000 (nil), minority interests took £251,000 (nil), and the attributable balance came through at £404,000 (£318,000 loss) — there were extraordinary debits, last time, of 199,000.

Basic earnings per 5p share were 1.05p (1.29p loss) and 0.78p (nil) fully diluted.

Directors state that terms have been agreed with Hambro Life Assurance under which a wholly-owned subsidiary of that company has taken a 25 year, full-repairing and insuring lease of the entire building with effect from November 18 last. Rent will be in excess of £500,000 per annum.

## USM placing for Kenyon Securities

Kenyon Securities, a company in the business of the provision of funeral and allied services, is coming to the Unlisted Securities Market in a placing which will raise £417,000.

At the placing price of 139p per share, the company, which was incorporated in 1889, will have a market value of over £2m. The group's customers include the Royal Family.

Mr Michael Kenyon, the chairman and great-grandson of the founder, said yesterday, "I believe we are the only funeral directors ever to float ourselves on the Stock Market."

The 300,000 shares being placed represent about 20 per cent of the equity. A further 29.9 per cent is held by directors and their families, who are not selling any of their shares in the placing.

The business has always been controlled by the Kenyon family, apart from the period from 1972 to 1976, when it was owned by Gerrard & National Discount Company. In 1976 it was bought back from Gerrard for about £600,000.

Kenyon's business divides into three areas: funeral services, repatriation services, and the manufacture and supply of coffins and memorials. The funeral services division has 22 branches, 18 of which are in London. Its growth in profits from £141,000 to £329,000 over the past five years has been based on the acquisition of small family operations within the industry.

The repatriation services business, has a worldwide network of agents designed to offer UK companies and individuals a speedy way of dealing with deaths occurring outside the UK.

These two divisions account for virtually all Kenyon's profits, which have grown steadily over the past five years to reach £350,000 in the year to March 31 1983. The company forecasts profits before tax of £390,000 for the year ending March 1984.

That forecast puts the shares, at the placing price of 139p, on a prospective fully-taxed multiple of 9.5. On the forecast net dividend per share for the current year of 9.375p, the shares yield 9.6 per cent.

## Daniel Thwaites

Taxable profits of Blackburn-based brewer, Daniel Thwaites, increased from £1.86m to £2.38m for the half year to September 30 1983 on turnover of £17.34m, against £16.4m.

After-tax profits were £0.7m higher at £1.91m and earnings per £1 share of this unquoted company advanced from 22.9p to 36.2p. The interim dividend is 1.1p (1p) per share.

## Davenports Brewery moves ahead to £2.76m

THE PROFITS forecast made by Davenports Brewery (Holdings) at the time of the unsuccessful bid from the Wolverhampton and Dudley Breweries last March has been met.

The forecast was for trading profits of £2.1m—in the event these moved up sharply from £1.63m to £2.13m, which helped lift pre-tax profits to £2.76m, against £2.17m, for the year to October 1 1983.

Turnover expanded from £27.94m to £34.01m.

The final net dividend of 5p brings the total to 8.4p which is in line with the forecast at the time of the bid. In the last full year a total of 4.66p was paid. Earnings per 25p share for the year under review grew from 12.29p to 21.98p excluding property surplus, and from 18.97p to 26.95p including the surplus.

Pre-tax profits were struck after interest of £219,000 (£254,000) and an increased surplus on the sale of properties of £631,000 (£542,000).

The directors say that the year under review has seen the group's policy of creating a broad trading base begin to yield tangible benefits in profit growth. They are projecting a further substantial increase in trading profit for the current financial year.

Sales volumes from licensed houses increased sales volumes contrary to national and regional trends, and greatly improved their contribution to profits, say the directors.

Free trade sales also improved their contribution to profits as a result of greater efficiency and despite depression in the West Midlands and poor spring weather. Similar factors affected Beer at Home which also improved profitability.

## Recovery trend at United Wire

THE RATE of declining profits has slowed at the United Wire Group in the second half. Profit comes out at £664,000, against £784,000, for a total of £835,000 for the year ended October 1 1983, compared with £1.43m. The dividend is held at 5.75p net with an unchanged final of 3.55p.

If the economic climate continues to improve, the directors feel that prospects should be reasonable for the year ahead. They have a greater degree of confidence than at this time last year.

Satisfactory profits were achieved by Thule United in the UK but were not sufficient to offset the substantial losses incurred by the American operation. It is anticipated that depressed conditions will continue in the U.S. for all of next year, and further action is being taken to reduce the exposure to losses on the scale suffered in 1982-83.

A break-down of profits showed (in £000s): United Wire £417 (£758); United Fabrics £302 (£318); Thule United £165 loss (£223 profit); Seamark Systems £133 loss (£201); Star Screens (Pty) £414 (£335).

Tax charge is £169,000 (£762,000), and there is an extraordinary credit £223,000 (£135,000 debit) reflecting an increase in the value of the rand and dollar on consolidation of the African and American assets.

Earnings were 8.17p (8.23p) per share.

Of the traditional sector, the directors point out that it is only during the last few months that the leve lof incoming orders has started to improve in some sections of the business. They are still looking for possible significant new outlets for the specialised products of United Wire, but these remain hard to locate.

Seamark Systems broke even in the second half after the establishment of more realistic price levels. Included in the year's loss are special expenses of £47,000, which represent the cost of efforts to develop complementary activities.

# UK COMPANY NEWS

## Eagle Star offshoot valued at £65m

By Dominic Lawson

VG Instruments, a subsidiary of Grovewood Securities, part of Eagle Star, is to obtain a separate stock market quote. N. M. *Rothschild is offering for* sale 12.5m shares—25 per cent of the equity—at a minimum tender price of 130p per share. This would give a market capitalisation of £65m.

The principal activity of VG (which stands for Vacuum Generators) is the manufacture of scientific instrdumenis for the *analysis of liquids,* solids and gases.

The customer base covers the energy, chemical, pharmaceutical and electroncis industries, and government and university research laboratories.

The group sells its products in 40 countries. In 1982 overseas sales accounted for more than 77 per cent of the total.

Despite a high-tech image profits growth in recent years has been unimpressive. Having made almost £4m pre-tav in 1979, VG made £6.3m in 1980. That was followed by a record £7.56m for the year to the end of 1981, £6.5m.
but last year profits fell to

The prospectus makes a forecast of pre-tax profits of £7m for 1983, based on anticipated turnover of £33.9m.

The directors say that although market conditions resulted in falling margins in recent years, net margins have now stabilised and demand for virtually all instruments is at a record level.

VG was founded in 1962 by the current chairman and managing director, Mr Bernard Eastwell, who will be the largest individual shareholder with 5.5 per cen tof the equity. It had been intended to bring the group to the stock market in 1972, but the market collapsed days before the scheduled flotation and the issue was called off.

The Eagle Star subsidiary Grovewood Securities, acquired an initial interest in 1977, and having built up its stake to about 95 per cent, and has made available 25 per cen tof its stake to effect the current listing.

Grovewood retains a 69 per cent stake, which it has no stated intention of reducing until at least the end of 1984.

The forecast fully taxed multiple is 20, at the minimum tender price, which was described yesterday by N. M. Rothschild's Mr Peter Byrom as conservative. Brokers to the offer are Panmure Gordon. The *prospectus will appear on Monday.*

See Lex

### Cable & Wireless

The application lists for the Government's sale of 100m shares in Cable and Wireless open today at 10 am, and are expected to close very shortly thereafter. The shares are being offered at a minimum tender price of 275p each, at which price the stake would net the Government at least £262m. Yesterday the C & W share price closed at 288p, down 12p on the day.

It is believed that the eventual striking price will be very close to the prevailing market price, as it was in the offer for sale by tender of 130m BP shares in September.

It appears that institutions, impressed with the quality of C & W's earnings growth since it was privatised two years ago, are likely to ensure that the offer is more than fully subscribed. As with the BP offer, tenderers for not more than 1,000 shares can make an application to receive shares at whatever turns out to be the striking price.

Brokers reported yesterday that private clients had shown considerable interest in this form of application.

# Royal Bank of Scotland up 5% to £95.5m

A MUCH better than anticipated second-half performance at the **Royal Bank of Scotland** resulted *in pre-tax profits* for the year to September 30, 1983, up 5 per cent from £90.8m to £95.5m. First-half figures had fallen by £12.2m to £30.9m.

Sir Michael Herries, the chairman, says the improved results reflect the impact of the growth in the group's business volumes and a widening of its interest margins, despite the fall in the average base rate from 13.3 per cent in 1982 to 10 per cent this year.

He says the better second half was mainly attributable to higher net interest earnings, better commission and fee income, a reduction in the bad and doubtful debt charge between the first and second halves and an increase in associates' contributions.

Operating profits for the year were up from £109.5m to £111.1m, struck after a provision for bad and doubtful debts of £39.8m—£9m more than in 1982. The second-half provision, however, at £15.3m, was some £9m lower than for the first period.

At the attributable level, group profits were down by 8 per cent from £101.8m to £93.5m. The tax charge was lower at £14.9m (£25.5m), but exceptional items —provisions no longer required in respect of assets leased to customers — decreased from £34.6m to £15m.

Earnings per 25p share were 35.4p (28.8p) before exceptional items, or 42.1p (44.1p) after. The final dividend is raised by 0.5p to 4.4p for a total payment of 7.4p (6.7p), costing £16.7m (£15.1m).

Earnings from commissions and fees have risen by 26 per cent, as a result of increased volume and the introduction of revised tariffs. Strenuous efforts are also being made to contain costs and the amount of the increase has been less than the rise in income and less than in the previous year.

Because of the group's computerisation programme, which will in the longer term yield substantial savings in other operating areas, data processing and other machine costs have risen by 31 per cent in the year.

At the group's press conference, Sir Michael denied vehemently that the group knew of any current bidders, although rumours of new takeover approaches had become common recently. In January last year, the Royal Bank had retained its independence when the Monopolies Commission vetoed competing bids from Standard Chartered and the Hongkong and Shanghai Bank.

He also said that diversification into other forms of financial services than banking was under consideration, but he declined to say what form such a move might take.

See Lex

# Retailing side lifts Dee to £9.2m

A SHARPLY increased contribution from its retailing side enabled the **Dee Corporation** (formerly Linfood Holdings) to raise pre-tax profits from £6.88m to £9.24m for the 28 weeks to November 12 1983, on sales of £648.91m, against £462.99m.

The directors say the rising profitability of the group's retail operations and the potentially significant improvement they believe achievable in both Key Markets and Linfood Cash and Carry over the next few years, makes them very confident of further progress.

The net interim dividend is *stepped up from 6p to 7p per* 25p share—last year's total was 16p on £16.9m taxable profits. Half-time earnings per share were ahead from 11.1p to 14.7p.

At the trading level, profits advanced from £6.73m to £11.34m, before interest charges of £2.1m (£0.15m credits). Tax increased to £1.71m (£1.33m) but extraordinary debits were down from £0.96m to £0.18m. Last year there were also minority profits of £0.12m.

A breakdown of sales and trading profits shows (in £000's): supermarkets £336,511 (£163,715) and £9,043 (£2,232), hypermarkets £72,932 (£68,007) and £1,881 (£1,472) making total retail sales £409,443 (£231,722) and profits £10,924 (£3,704); cash and carry £213,291 (£207,417) and £674 (£2,982); and Spain £26,173 (£23,856) and £350 (£168).

Pre-tax profits include £334,000 (£51,000) of property profits that have arisen largely as the result of several small store disposals by Gateway. The trading contribution of Key Markets has been included only for the five months during which it has been part of Dee.

The directors say the recent disposal of a handful of Key Markets stores was made at bte fair value which they allocated to the assets of Key Markets as reported in the last published accounts.

No profit or loss has consequently been reflected in the profit and loss statement as a result of these transactions.

The sales of Key Markets have increased very *satisfactorily* since the acquisition and costs are continually being reduced. It is planned to close the Key Markets head office at Hainault in the middle of next year which will reduce costs materially.

The operational managements of Gateway Foodmarkets, Dee Supermarkets and Key Markets have been successfully integrated, but further work still needs to be undertaken on the rationalisation of product ranges and distribution methods.

The company's supermarkets *continued to grow at near to 30* per cent per annum.

Profitability of the cash and carry division fell substantially as profit margins were reduced to obtain volume improvements in a very competitive market. The 15 per cent effective drop in sales experienced last year has been reversed and sales for the *six months show* an average increase of about 3 per cent. Sales were increasing well above this rate at the end of the period. Reported profits were after £384,000 adverse stock takes, which continue to reflect the introduction of tighter controls and changes in the presentation of depots.

### ● comment

A strong market ahead of the results, the interim performance from Dee was enough to lift the shares a further 6p to 362p since Key Markets looks set to reward the group's efforts during that extraordinary Dutch auction. Much more reorganisation needs to be done, apparently, but Key has produced some £3.3m at the trading level and should be covering finance charges this year. Group retail sales are believed to have been growing at a rate of 7 per cent at the start of the 28-week period—adjusting for changes in selling space—and finished the period with year-on-year growth of 27 per cent. The original Dee and Gateway businesses have been no slouches either with 23 per cent growth on a like for like basis, which indicates a 19 per cent volume increase. The group has already warned that cash and carry would suffer its share of industry over-capacity and Dee's efforts to rebuild volume with a 3 per cent drop in prices and a one point, or so, fall in gross margin, add up to a sharp setback in this division. Yet total profits this year could reach £21m which, after a similar tax rate, indicates a p/e of about 11. A net total dividend of, say 15p, would offer a useful 7.6 per cent yield. In sum, Dee remains a buy; the caveat being that it seems poised to explore new trading areas which introduces an element of uncertainty.

## Hargreaves profit decline: £6m acquisition

With the publication of its interim report, showing profits before tax declining by £500,000 to £1.9m, the **Hargreaves Group** informs members of the acquisition of the Glover Group for a *maximum of £6.5m.*

The directors feel that the combined activities of the oil distribution businesses will have a more extensive range of products, serve a wider geographic area, and create considerable opportunities to enhance overall efficiency.

In the half year ended September 30 1983 turnover of the Hargreaves Group came to £115.36m (£135.34m) and trading surplus to £4.26m (£4.56m). After tax £480,000 (£760,000) the net profit was £1.42m (£1.64m), to which is added extraordinary credits this time of £336,000. Earnings are shown at 4p (4.7p).

A breakdown of the profit *before tax shows (in £000s):—* solid and liquid fuel processing and distribution and fuel products £850 (£857); quarrying and construction materials £666 (£1,011); waste disposal £311 (£158); road tanker transport and shipping services £397 (£416); commercial vehicle distribution losses £215 (£9); manufacture *and distribution nil (£75); less* debenture interest £1,085 (same).

The Glover Group comprises Sidney Glover Group and Wyre Petroleum. The consideration is an amount equal to the net tangible asset value of Glover at September 30 1983 plus £2m. Including retentions, the payment made on completion was *£6.1m which has been satisfied* from cash resources and existing bank facilities.

Glover's profits for the year ended June 30 1983 were £601,000, before exceptional and non-recurring items and tax. At that date its net tangible assets stood at £4.27m.

### Plantation & General

Increased pre-tax profits, up from £322,860 to £337,907 were achieved by **Plantation and General Investments** for the six months to June 30 1983.

The interim dividend is raised from 1p to 1.5p net,

*The board proposes to apply* to the Stock Exchange for a full listing of the company's shares.

## Grainger Trust over forecast with 4.2p total

Against not less than 3.8p per share forecast, **Grainger Trust** is paying a total dividend of 4.2p net for the year ended September 30 1983, with a final recommendation of 3.2p. For the previous year the company paid a total equal to 3.36p.

For 1982-83 gross rental income rose to £1.99m (£1.54m). The profit balance moved ahead from £712,000 to £1.22m, subject to tax £413,000 (£252,000) and minorities £10,000 (same). Earnings are 18.3p (12p) per share.

Trading properties of this USM stock shown in the books at cost of £9.9m have been revalued on a revised basis by the managing director at £17.2m, in order to reflect adequately the current market conditions.

If net assets were adjusted for that valuation they would come to some £3.50 per share before any tax arising on disposals. The value of commercial properties is broadly unchanged since last year.

### Trans-Oceanic Tst.

Net asset value per 25p share of the **Trans-Oceanic Trust** increased from 127.8p to 170.4p in the year to October 31 1983.

Earnings per share moved up from 2.54p to 2.95p and a higher final dividend of 2p raises the total payment by 0.3p to 2.84p per share.

Gross revenue advanced from £1.83m to £2.73m, while the pre-tax figure came out at £1.73m, against £1.51m, after expenses and interest up sharply from £0.31m to £1.01m. Tax took £642,000 (£579,000).

# Pauls & Whites Nigeria setback

AS A RESULT of the Nigerian economic situation, a loss from related companies at **Pauls & Whites** has produced a setback at the pre-tax level at the interim stage.

For the six months to the end of September 1983 pre-tax profits slipped from £5.1m to £4.55m, although turnover expanded from £144.1m to £157.72m.

The directors point out that at the operating level profits showed an increase from £5.9m to £6.13m. Related companies *fell from a profit of £516,000* to losses of £164,000 as a direct result of the Nigerian economy on the company's feed business in that country. They say that this business is now making profits and the outlook is showing some improvement.

Although trading conditions in some of the company's markets *are improving the directors say* it is too early to say whether last year's profits of £11.64m (£10.76m) will be achieved.

The net interim dividend has been held at 2.5p—in the last full year a total of 8p was paid. Earnings per 25p share for the half year fell from 15.87p to 14.2p.

Sales of animal feed at home have increased and market share has grown, but the directors say higher raw material costs have resulted in slightly lower margins. Pig operations are now breaking even.

### ● comment

Pauls and Whites is studiedly neutral about the prospect of picking up the first half profit shortfall but conditions do appear to have taken a turn for the better in two problem areas. *Interim profits have been hit,* predictably, by the performance of the Nigerian associate and sour conditions in the pig business. The chance that the group's record, stretching unbroken since 1971, could be sullied this time sent the shares down 8p to 257p where the historic yield of 4.5 per cent may *not be much of a prop.* But the pig market looks to be set for some sort of recovery. At its worst, last May, Pauls and Whites was losing £5 per animal, by October it was recording the princely profit of 7p per pig but this month profits have risen to £1 and the sow slaughtering forecasts for the New Year indicate a fall of between five and 7 per cent. The financial problems in Nigeria also look to be easing since the group is now able to reactivate the feed mill supply agreement through its Bermudian company given that letters of credit are again being confirmed. Finally, the group has been able to recoup some of raw material pressures on UK animal feed production with recent price increases. The track record may not be in that much danger — but associates hold the key.

### CPI Holdings

Pre-tax profits of **CPI Holdings**, 53 per cent owned Irish subsidiary of Marley, building products manufacturer, fell from I£1.44m to I£1.15m for the year ended September 30 1983.

Sales amounted to £42.06m, compared with £47.81m

# Feedback slowing down

PROGRESS HAS been made by Feedback, maker of computer peripheral equipment, in the half year ended September 30, 1983. But over the full year the directors of the USM stock are not expecting a repeat of year's growth rate of 32 per cent, in pre-tax profit, although turnover and profit will be at records.

For the first half, turnover has expanded from £3m to £3.86m and profit went ahead from £434,308 to £522,447. Orders for the second half are less buoyant than expected.

The interim dividend is lifted from 1p to 1.25p net, partly reflecting the increase in profit and partly to reduce the disparity with the final, which was 1.5p last year.

After tax £210,500 (£181,500) the half year's net profit came out at £311,947 (£252,808) for *earnings of 3.71p (3.01p)* per share. The interim costs £105,000 (£84,000).

### ● comment

There are few companies which can produce a 20 per cent growth in pre-tax profits and lose £2.7m —or 11 per cent—from their market capitalisation on the same day. Feedback's shares, which plunged 32p to 265p after the interim results, are in a thin market, however, and investors had come to expect higher growth rates. The company also warns that the profits increase may tail off further in the current half because of delays on two major orders. A £300,000 consignment of educational *equipment for Syria has* been held up indefinitely because of that country's hard currency famine, while £1m of cartridge drives for British Telecom has been delayed for administrative reasons until the next financial year. Since at least half of Feedback's costs are fixed, the hold-up will fall straight through to the *bottom line, pointing* to a full-year out-turn of perhaps £1.5m pre-tax. That puts the shares on a prospective multiple of almost 25, assuming a 40 per cent tax charge.

## BOARD MEETINGS

The following companies have notified *dates of board meetingsc to the Stock* Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

**Interims:** Brengreen, British Benzol Carbonising, Chloride, London and Overseas Freighters.

*Finals: Canvermoor, Hunslet, Polly* Peck.

FUTURE DATES

Interims—

| | |
|---|---|
| Braham Millar | Dec 9 |
| Braithwaite Engineers | Dec 7 |
| *British and American Film* | *Dec 8* |
| British Steam Specialties | Dec 15 |
| Cooper (Frederick) | †Dec 8 |
| Dixon (David) | Dec 7 |
| Erskine House | Dec 5 |
| FKI Electricals | Dec 5 |
| Multitone Electronics | Jan 12 |

Finals—

| | |
|---|---|
| Hardanger Properties | Dec 7 |
| Keystone Investment | Dec 7 |
| Lake and Elliot | Dec 9 |
| Martin The Newsagent | Dec 12 |
| RHP | Dec 12 |
| Saatchi and Saatchi | Dec 9 |
| Speyhawk | Dec 8 |
| Trafalgar House | Dec 6 |

† Corrected.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Castings ......int | 0.75 | — | 0.42 | — | 2.42 |
| Davenports Brewery ... | 5 | Jan 26 | 3.45 | 8.4 | 4.66 |
| Dee Corporation ......int | 7 | Feb 28 | 6 | — | 16 |
| Feedback ......int | 1.25‡ | Feb 1 | 1 | — | 2.5 |
| Grainger Tst ...... | 3.2 | — | 2.72 | 4.2 | 3.36 |
| Habitat Mothercare...int | 2 | Feb 15 | — | — | 4§ |
| Hargreaves Gp. ......int. | 1.75 | — | 1.75 | — | 4 |
| Morland and Co...... | 3.25 | — | 3.5 | 5.25 | 5 |
| Pauls and Whites......int | 2.5 | — | 2.5 | — | 8 |
| Royal Bk of Scotland... | 4.4 | Jan 23 | 3.9 | 7.4 | 6.7 |
| Scapa Group ...... int | 3.15 | Jan 20 | 3 | — | 7.6 |
| 600 Group ......int | 2.34 | Jan 13 | 2.34 | — | 5.25 |
| Sterling Guarantee ...int | 0.33 | Feb 4 | 0.25 | — | 0.7 |
| Trans-Oceanic Trust ... | 2 | — | 1.7 | 2.84 | 2.54 |
| Tyndall Overseas......int | 1¶ | Jan 31 | 1* | — | 2.4* |
| United Wire ...... | 3.55 | Jan 20 | 3.55 | 5.75 | 5.75 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For nine months. ¶ Gross throughout. ‖ Final of 0.55p expected.

## BIDS AND DEALS

# Unanimous approval for BAT's bid

BY CHARLES BATCHELOR

SHAREHOLDERS of BAT Industries, the tobacco, paper and retailing group, unanimously approved their company's record £913m bid for Eagle Star, the insurance group, at a special meeting yesterday.

Allianz Versicherung, West Germany's largest insurer, now plans to announce, on Monday, whether it will increase its £900m bid.

The German company has a 30.01 per cent holding in Eagle Star compared with BAT's holding of approximately 1 per cent.

Eagle Star's shares rose 8p to a new high of 690p yesterday, well above the BAT offer of 660p and Allianz's 650p.

Some of the 78 shareholders who attended the 20-minute meeting questioned Mr Patrick Sheehy, BAT's chairman, about the company's diversification policy and its ability to manage an insurance company.

Mr Sheehy said he accepted BAT would rely heavily on Eagle Star's existing management, but added: "We do believe we will be buying a quality company with a quality management. We would not hesitate to go outside their management to recruit the best management available."

Mr Sheehy told shareholders that BAT's offer was well within the company's financial capabilities. If accepted it would lead to debt increasing to just over 60 per cent of equity at December 31, 1983, compared with 46 per cent a year ago. BAT's strong cash flow would soon reduce this figure however, he added.

"I do state firmly that there is no question of this being a battle in which we seek victory at any cost," he warned. If it fails, BAT will continue to seek favourable opportunities in financial services, at home or overseas, he said.

Mr Sheehy said that having identified financial services as a growth area BAT decided in the late summer that a composite insurance company was the best way into this market.

An insurance company provided the opportunity to acquire a substantial business whose activities could be expanded in the developed countries where BAT is active. BAT would encourage Eagle Star to expand its insurance business into personal financial services related to fund management and property.

He said that Allianz had approached BAT about Eagle Star, but that the discussions had got nowhere. He declined to reveal the substance of these talks.

BAT would prefer to gain 100 per cent control of Eagle Star and would not welcome Allianz as a large minority shareholder.

Turning to BAT's recent performance Mr Sheehy said tobacco trading profit is expected to be considerably better in the second half, while in retailing Christmas demand is likely to be even stronger than first thought. The Appleton company in the U.S. is expected to make a particularly notable further advance in the paper division.

Eagle Star said yesterday it was delighted that the BAT bid had got the support of its shareholders.

Morgan Grenfell, the merchant bank which is advising Allianz, said it was now considering a possible increase of its 650p cash offer.

The bank said it thought BAT was having to take into account concern from its institutional shareholders that it had already offered a high price for a company yielding less than some of BAT's existing activities.

Proxy votes representing 283m shares in favour, compared with 17m against, were received

# Virani lifts holding in Belhaven

Virani Group, the hotels and property company, has increased its stake in the publicly-quoted Belhaven Brewery to 24.74 per cent, against 14.1 per cent, by the purchase of a further 2.31m shares.

Virani, which is owned and run by Mr Nazmu Virani and his two brothers, said it had no present intention of making an offer for the rest of the shares, which rose 1p to 30p yesterday.

The increase in the Virani shareholding coincides with the revelation by Belhaven that plans to buy four hotels from Virani and to sell a Spanish hotel have been put "in abeyance."

Mr Ronnie Aitken, joint chairman of the Belhaven group has resigned after four years "due to pressure of business."

# Reed Stenhouse urges deal

Reed Stenhouse, Canadian-based insurance broker, has urged shareholders of Stenhouse Holdings, Glasgow-based insurance broker, to accept its £53m merger proposal. The proposal does not yet have the support of the Stenhouse Holdings board.

In its offer document, which details the bid for Stenhouse Holdings and was sent out to shareholders yesterday, Reed Stenhouse says that "intensive discussions between the two boards to try to agree terms took place over a period of a month.

"Eventually, at a full board meeting of Stenhouse Holdings, with both Stenhouse Holdings' financial advisers present, Reed Stenhouse reached a position when, in the interests of its own shareholders, it felt unable to offer more shares (in the merger deal)."

According to the document Reed Stenhouse agreed to offer an additional 4p per Stenhouse Holdings share in cash, "in the strong belief, encouraged by the board of Stenhouse Holdings, that this additional sum would result in a unanimous recommendation of the offer." Subsequently it became clear that this was not the case.

Reed Stenhouse is offering one Reed Stenhouse share and 20p in cash for every five Stenhouse Holdings shares.

Stenhouse Holdings holds a 48.9 per cent stake in Reed Stenhouse. Its shareholding link took place in 1973 but a full merger of the two companies "was not practicable since foreign exchange controls were then in place in the UK and Stenhouse Holdings owned a number of non-insurance related interests."

The Continental Corporation, which owns 20 per cent of Stenhouse Holdings, has said that it will accept the offer. But the family company of Mr Paul Stenhouse, grandson of the founder, which holds 24.6 per cent of the share capital, has said that it does not consider the terms of the offer sufficient.

## Barrow Hepburn

Barrow Hepburn Group's wholly owned subsidiary, Perrite, has completed the purchase of the goodwill, plant, machinery and stock of Harbour Plastics.

Harbour Plastics makes high density polyethylene compounds which are supplied to the plastics industry. Its approximate annual turnover is £1m.

# Metal Box and Polly Peck link

Metal Box is to supply technical support and expertise to the food processing and packaging businesses which Polly Peck, the textile and packaging group, plans to develop in Turkey.

The initial agreement, which was announced yesterday, will run for two years. It involves an initial payment by Polly Peck followed by further instalments as Metal Box's expertise is called upon.

Metal Box declined to value the contract but an agreement of this sort could be expected to be worth several hundred thousand pounds.

Metal Box will not be taking an equity stake in the project. Polly Peck's shares responded strongly to the news rising £1½ to £25½. Metal Box fell 1p to 285p.

## AAH purchase

AAH has completed the acquisition of Spears Oils for a total consideration of approximately £495,000.

Spear Oils based in West Thurrock, Essex, is a non-franchised distributor of oil to industrial and domestic users. Its net assets at September 30, 1983—the date at which audited accounts were last prepared—amounted to some £423,000 and included approximately £200,000 in cash.

Immediately following the acquisition, the shares in Spear Oils were transferred by AAH, for the same total consideration, to a company wholly owned by British Fuel Company. AAH has a 50.25 per cent interest in BFC which is a partnership between a wholly-owned subsidiary of AAH and the National Coal Board.

## Siebe Gorman

As Siebe Gorman's £18.3m offer for Tecalemit, the garage equipment manufacturer, ran into its last hours, rather than days, before the deadline, the bidder acted yesterday to reduce the income disparity between each side's forecasts.

Siebe understands that this issue is now receiving the attention of undecided Tecalemit shareholders and, accordingly, is now forecasting a final dividend of 7.35p per share for the year to March 1984. Its current year distribution, for which accepting shareholders would rank, would therefore be at the increased rate of 10.5p per share, an 11.1 per cent rise over the previously forecast level and a 23.5 per cent improvement over the total dividend for the year ended March 1983.

Finally, the protective clothing manufacturer sees "no reason why dividends for the year ending March 1985 should not also show a worthwhile increase over the new level forecast for the current year."

## Mitchell Somers

Mitchell Somers has completed the acquisition of 97.06 per cent of Newshield and the whole of the capital of H. N. Electricals.

The consideration payable in respect of H.N. was £311,281 cash. Newshield is the holding company of John Sydney, which was the primary target of the acquisition, directors say. H.N. owns the remaining 2.94 per cent of Newshield capital.

Total consideration for Sydney, to be satisfied in cash, will amount to five times the average annual pre-tax profits for the three years ending March 31, 1986. A non-returnable initial payment was made of £774,139.



## MINING NEWS

# Northgate selling Patino stake to reduce debts

BY KENNETH MARSTON, MINING EDITOR

CANADA'S loss-making Northgate Exploration mining group is to sell its 35 per cent stake in Patino Mining NV of the Netherlands to Patino Antilles NV in order to reduce bank indebtedness. The sale price of C$39m (£21.5m), it is stated, represents the original purchase price (C$29m) plus accumulated interest charges.

Northgate will now be able to reduce its debts to about C$65m. The company still retains the three base and precious metal (copper, zinc, gold and silver) mines in the Chibougamau areas of Quebec which it purchased from Patino Mining NV in September 1981.

That deal was part of a C$174m package whereby Northgate acquired all the Patino Mining NV Canadian mining assets and certain other interests which included a stake of 34 per cent in Edper Equities, a company controlled by the Bronfman interests and which holds 48 per cent of the Brascan natural resources group.

Northgate subsequently sold back the Edper stake to Patino Mining NV for C$84m and also purchased its 35 per cent stake in Patino Mining NV.

The sale, now announced, of the Patino Mining NV stake is to be completed on December 12. This will coincide with the sale by Patino Mining NV of its 34 per cent interest in Edper for C$72.5m to Pagurian Corporation.

The last-named will then sell the holding to another Bronfman company, Hees International, for 4m shares of the latter plus C$27.5m cash.

The net effect of all this is thatthe Patino company will pull out of its last remaining major Canadian assets for C$72.5m cash. It will then distribute the proceeds to its shareholders (the Patino family) and will pay Northgaet its C$39m for the purchase of the latter's stake in Patino Mining NV.

The Bronfman interests will emerge with a consolidated and increased control of Brascan.

The Canadian mines acquired by Northgate in the original deal have long working lives. The idea was that they would replace the loss of income from Northgate's worked-out Irish base metal mine at Tynagh in County Galway.

This they did, but Northgate borrowed most of the funds for the acquisition and has to carry heavy interest charges as well as depreciation and amortisation expenses.

Lower metal prices have also affected the mining operations and Northgate has lost C$7.06m in the first nine months of 1983 against a los of C$11.38m a year ago.

Production targets have not been fully met and revenue prospects for the final quarter of this year are not to encouraging. However, production should rise in 1984 following the completion in mid-year of the C$4.2m expansion of the Portage copper-gold mine. Northgate shares rose 15p to 355p in London yesterday.

# Wit Nigel: opposition elected

IF THE plans of four newly-elected directors come to fruition operations at the old and marginal Witwatersrand Nigel gold mine in South Africa could be transformed,

At the resumed annual meeting there Mr Peter George succeeded by 3.6m votes to 840,000 in defeating proposals for the re-election of four of the previous directors. Mr George and three of his associates were elected in their place.

Mr George had originally opposed the re-election of the previous directors at the annual meeting on October 19, claiming that his plans for the mine's were superior to those of the incumbent management. The chairman, Mr George Abdinor refused to allow Mr George's proposals to be put to the vote then because of various technicalities and the meeting was adjourned.

Mr George's proposals centre on an increase in Wit Nigel's monthly ore milling rate of 75,000 tonnes from its current 23,500 tonnes. The average gold recovery grade, according to estimates prepared by a consulting engineering firm retained by Mr George, would be 3 grammes per tonne. This would be much the same as the gold recovery curently being achieved. At present gold prices the mine is largely dependent on State assistance.

In the September quarter operating costs were R43.5 (£25') per tonne milled. However, Mr George and his accountant believe that at the higher milling rate unit costs would be reduced to R28.2 per tonne by 1986 and that the break-even gold price would thus be $321 per ounce.

His expansion proposals call for the raising of R8m (£4.6· to assist in the financing of a R25m programme to provide additional milling and processing equipment. His advisors say that the decision taken two years ago, to sink Wit Nigel's No 10 shaft was ill-advised.

Development of the shaft has been halted, and Mr George's consultants now say that cash flow can be better utilised to develop the Spaarwater shaft which, it is claimed, will open up a minimum of 5 km of gold bearing reef.

The consulting mining engineers who were retained by the mine's original board of directors believe that the plans put forward by Mr George are either invalid or untenable and that the available ore reserves cannot support the increased extraction rate. They warn, furthermore, that if the George plans are implemented the mine could well be excluded from the State assistance scheme.

# Success for Flair Resources

SUCCESS HAS attended the efforts by Canada's Flair Resources to turn to good account an anthracite deposit at Ballingarry, 100 miles south-west of Dublin in County Tipperary, which has been worked on and off since the early 19th century.

The Canadians and their Irish colleagues now announce that they have sold forward the entire first five years' mine production for a sum in the region of I£25m (£19.6m). The resulting net profit before financing costs is reckoned to be about I£7m.

Additional sales of material other than sized material, it is stated, to an approximate value of I£6m will bring total sales for the five-year period to an estimated I£31m.

The purchaser is the Thomas Marshall (Loxley) group of Sheffield. The projected figures are based on current price levels and do not take into account sales escalation clauses included in the contracts. The life expectancy of the anthracite mine is put at 20 years on the basis of the proposed extraction rate for the next five years.

## COMPANY NEWS IN BRIEF

AFTER more than doubled provisions for doubtful debts the City of Dublin Bank produced pre-tax profits of I£1.02m against I£921,000 for the year to the end of September 1983. The directors do not expect the current financial year to be easy, but are hopeful of maintaining the profit position.

The directors say the "appreciable increase" in provisions for doubtful debts is a reflection on the Irish economic scene.

Deposits increased from £93m to £129m at September 30, and assets exceeded £140m.

The net final dividend has been lifted from 2.0125p to 2.2375p, which raises the total from 2.8875p to 3.2p. Earnings per 25p share moved up from 4.1p to 4.21p.

Tax amounted to £538,000 (£423,000) and minorities came to £54,000 (£85,000). There was an extraordinary credit last time of £211,000.

* * *

Stockbroker Strauss, Turnbull & Co. has placed with investments' clients 1.3m new 5p shares at 57p each in Gable House Properties, which was launched on the USM last July.

The money has been used to fund the purchase of Viatron House in Finchley High Road, North London, at a cost of £720,000.

The property has already been valued at £1.05m. The building is currently let to Moore Business Forms until the end of 1987 at an annual rent of £98,500.

Gable House was advised by merchant banking services group United Trust & Credit on the initial market flotation and current issue.

* * *

Turnover of Oxfordshire-based brewer, Morland & Co, increased from £13.21m to £14.38m for the year to September 30 1983 and pre-tax profits were ahead by £0.2m to £1.94m. First-half taxable figures had risen from £801,282 to £883,158.

Earnings per 25p share improved from 14.2p to 14.6, while the dividend total is 0.25p higher at 5.25p net, despite a lower final of 3.25p (3.5p).

The tax charge was up from £602,000 to £767,000 and extraordinary credits increased to £87,000 (£8,000).

* * *

Improved results due to a rapid increase in business in the last three months have been shown by Castings for the six months to the end of September 1983. The improvement in pre-tax profits from £166,000 to £367,000 came as a result of the closure of competitors' foundries and a slight upturn in traditional business.

The net interim dividend has been raised from 0.42p to 0.75p—in the last full year a total of 2.42p was paid. Earnings per 10p share rose from 1.18p to 2.6p.

Turnover moved ahead from £3.22m to £3.72m—the company is based in the West Midlands and supplies blackheart, pearlitic, free cutting and weldable malleable iron castings to a variety of manufacturing industries. At the trading level profits rose from £136,000 to £340,000 to which was added other income of £27,000 (£29,000). Profits were subject to tax of £191,000 (£86,000).

* * *

Afrter rejecting multiple and supposed multiple applications, the offer for sale of 4.222m Brewmaker Associations ordinary shares attracted applications in respect of a total of 25,530,000 shares.

Applications will be dealt with on the following basis: 1,000 to 5,000 ballot for 1,000 shares (some one in three will receive an allotment); 5,500 to 10,500—1,500 shares allotted; 11,000 to 15,000—2,000 shares allotted; 15,500 to 20,000—2,500 shares allotted; 20,500 to 149,000—some 12½ per cent of application; 149,500 and over—10 per cent of application.

* * *

Reduced losses before tax of £5,427 against £22,383 have been shown by Phillips Patents (Holdings) for the half year to August 26 1983. Turnover was down from £2.53m to £2.11m.

Trading losses in manufacturing more than doubled from £41,266 to £98,371, while profits from property development and investment grew from £18,883 to £92,944.

The directors say it is not company practice to pay an interim. However they say that as manufacturing losses have now been held to just below the half-year losses shown, and with the expectation that the property and investment side will further improve they hope to maintain last year's payment of 1.25p.

* * *

For the year to August 31 1973 pre-tax profits of MMT Computing rose from £143,000 to £201,000 on turnover of £948,000 against £715,000.

The directors say they view the future with confidence and high forward orders will be reflected in results for the current 12 months.

As forecast the final dividend is 1.53p for a 1.68p (0.43p adjusted) total. Tax took £96,000 (£80,000) for the year under review and there were extraordinary items of £50,000 representing USM expenses.

* * *

As a result of a rationalisation programme, turnover of Allied Plant Group slumped from £4.24m to £1.81m in the first half of 1983 and the company swung round from profits of £63,142 to pre-tax losses of £57,580.

However, the directors say that all remaining group companies have been operating profitably since June and they view the future with greater confidence.

The loss per 10p share for the half year was 0.25p (0.29p earnings) before extraordinary charges. Such items amounted to £2.11m in the year to December 30 1982, of which £1.68m fell in the first half. These related primarily to provisions for closure costs and disposals, on which further extraordinary losses of £157,415 have been incurred to date in 1983.

* * *

In the six months to June 30, 1983, London & Manchester Securities, formerly Carlton Real Estates, incurred pre-tax losses of £80,000 against profits of £150,000. Turnover of this property investment company—its shares are traded on the Unlisted Securities Market — was down from £892,000 to £817,000.

No tax was payable against £45,000 last time, and there was an extraordinary debit this time of £94,000. The loss per share was 0.77p against earnings of 0.78p.

## MONTHLY AVERAGES OF STOCK INDICES

| — | Nov. | Oct. | Sept. | Aug. |
|---|---|---|---|---|
| **Financial Times** | | | | |
| Government Securities | 82.88 | 81.62 | †81.02 | 79.37 |
| Fixed Interest | 85.66 | 84.69 | 83.28 | 82.24 |
| Industrial Ordinary | 724.8 | 693.5 | 704.3 | 724.4 |
| Gold Mines | 502.6 | 532.0 | 652.7 | 654.5 |
| Total Bargains | 19,832 | 19,519 | 19,905 | 19,894 |
| **F.T.— Actuaries** | | | | |
| Industrial Group | 444.86 | 486.72 | 435.69 | 447.37 |
| 500 Share | 487.12 | 472.32 | 485.49 | 495.67 |
| Financial Group | 346.37 | 320.19 | 329.91 | 332.49 |
| All-Share (750) | 451.84 | 436.02 | 448.56 | 455.85 |

| | Nov. High | Nov. Low |
|---|---|---|
| Industrial Ordinary | 746.7 (29th) | 706.2 (1st) |
| All-Share | 461.87 (30th) | 439.24 (1st) |

## BANK RETURN

### BANKING DEPARTMENT

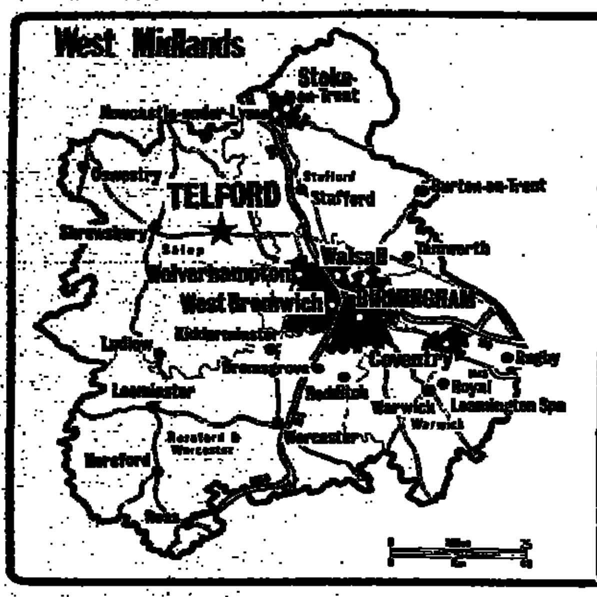
| | Wednesday November 30 1983 | Increase (+) or Decrease (—) for week |
|---|---|---|
| **Liabilities** | £ | £ |
| Capital | 14,553,000 | — |
| Public Deposits | 34,381,888 | + 448,000 |
| Bankers Deposits | 814,614,917 | + 282,136,115 |
| Reserve and other Accounts | 1,674,990 431 | — 45,464,445 |
| | 2,538,540,226 | + 177,118,670 |
| **Assets** | | |
| Government Securities | 397,520,857 | + 34,115,000 |
| Advances & other Accounts | 862,972,059 | — 5,516,424 |
| Premises Equipment & other Secs. | 1,273,837,167 | + 157,059,687 |
| Notes | 4,056,518 | — 8,529,406 |
| Coin | 153,625 | — 11,187 |
| | 2,538,540,226 | + 177,118,670 |

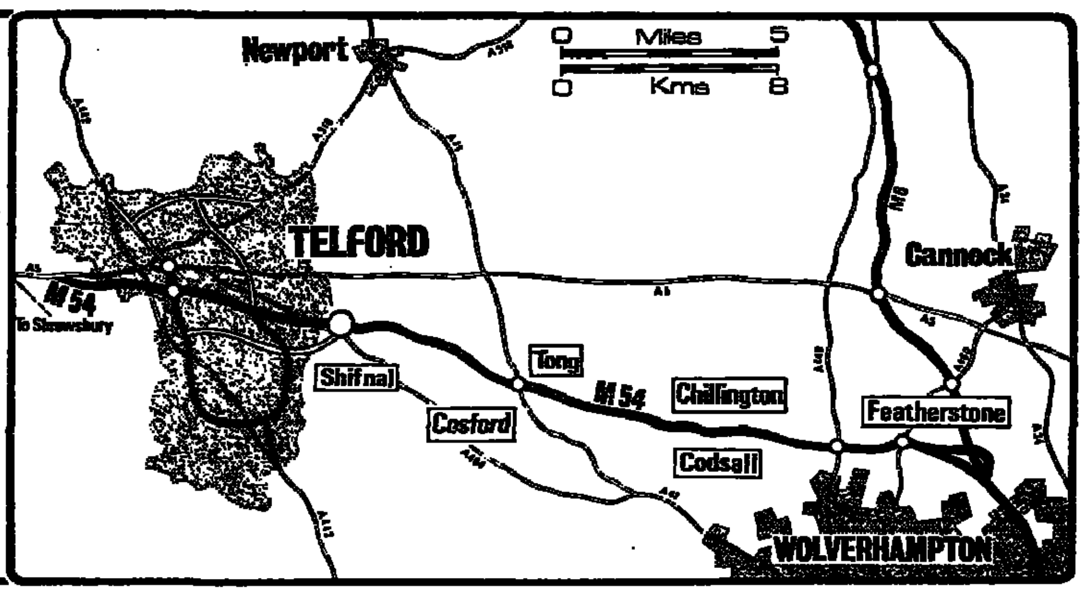
### ISSUE DEPARTMENT

| | | |
|---|---|---|
| **Liabilities** | £ | £ |
| Notes issued | 11,660,000,000 | + 190,000,000 |
| In Circulation | 11,655,943,482 | + 198,529,406 |
| In Banking Department | 4,056,518 | — 8,529,406 |
| **Assets** | | |
| Government Debt | 11,015,100 | — |
| Other Government Securities | 4,949,276,249 | + 914,044,219 |
| Other Securities | 6,699,708,651 | — 724,044,219 |
| | 11,660,000,000 | + 190,000,000 |

# TELFORD M54 MOTORWAY LINK

UK REGIONAL REPORT BY ARTHUR SMITH




Telford, the midlands town that 'sold' itself to Japanese high technology, now gets its long-awaited motorway link to UK markets

## New town's prospects look brighter

**"The prospects for Telford are brighter now than at any time in the recent past," says Mr Joe Boyce, urban general manager of the town's development corporation. He chooses his words carefully, but relaxes into a smile.**

As well he might, for he was the man designated "super-salesman," a few years ago, and charged with the task of promoting overseas the Shropshire New Town. He opened offices in the U.S. and Japan.

Now Ricoh, one of Japan's leading photocopier manufacturers, has announced a £5m investment intended to make Telford the centre of its onslaught on the European market. Nikon of Japan, is setting up its nationwide distribution base for microscopes and opthalmic equipment and another Japanese group Hitachi-Maxell opted for Telford over West Germany in locating its European centre for the manufacture of video tapes on a 60-acre campus site.

Telford in the drive to attract high technology investment, keeps scoring. Unimation, of the U.S., is expanding its Telford operation to give the town an important role in the European robotics industry. New areas of research, development and production are going into the Telford plant which already supplies components to its American parent.

The strategic position of Telford has been acknowledged by Mr John Butcher, the unofficial minister for the West Midlands, who has talked optimistically about the region's answer to the M4 corridor. He argues that the Telford to Rugby axis is the line along which the greatest hope lies for Britain to establish itself in the supply and use of advanced manufacturing systems.

### Potential

The very successes notched up by Telford make Mr Boyce the more sensitive about the town's being dubbed by the media as "the unemployment blackspot of the West Midlands." He concedes that a rate of jobless of more than 20 per cent is unacceptable but argues special circumstances have been a factor.

He points in particular to the newly-opened M54 link to the motorway network: "Had the road been built 10 years ago when it should have been, or 15 years ago when it might have been, the story of Telford would have been very different."

Indeed, through the 15 years, three public inquiries and endless debates about the route and purpose of the M54, Telford's undoubted advantages of location close to the manufacturing heartland of the nation have been more potential than actual.

Suddenly the 18-mile stretch of motorway, built at a cost of more than £60m, provides the missing link. Mr Nicholas Ridley, the Transport Secretary, claims that Birmingham is now within half an hour's drive and London two-and-a-half.

Telford can afford to bask a little in the prominence it has been given by the Government as the northern point of Mr Butcher's axis of growth. The new town, willed by a government initiative, has been constantly buffeted by shifts in regional policy.

The concept of Telford—the name was taken from the Shropshire engineer famous for his road, bridges and canal—took form in 1968. The five small towns of Dudley, Ironbridge, Madeley, Oakengates and Wellington with a total population of fewer than 70,000 were designated for rapid expansion.

The aim then was to form an alternative growth point to the Birmingham conurbation to help with the problems of housing and to relocate business. But as the relentless shakeout of jobs in the West Midlands gathered pace during the 1970s it became obvious that Telford would have to look wider for its new employment.

In spring 1978 the development corporation opened the first of its three offices in the U.S. Within 12 months offices in Japan followed.

Lord Northfield, chairman of the development corporation, claims that over 17,000 jobs have been created and more than 400 companies attracted—43 from overseas.

### Key factors

As the town's new industrial estates drew in firms involved in electronics, instrumentation, processing and distribution so the structure of the local economy has changed. There is still a heavy dependence on manufacturing, but it is no longer dominated by what Mr Boyce describes as the traditional metal-bashing trades. "We have brought in the new technologies," he insists.

But why Telford? Skilled labour and good industrial relations are the key factors to attracting companies, Mr Boyce answers. "We have been only too aware that we are competing with many other areas of Britain for a limited pool of mobile industry. Many of those competitors enjoy assisted area status and can offer generous financial incentives."

But Mr Boyce says the development corporation's analysis of company decision making about relocation indicated that the most important factor was the quality of the workforce and good industrial relations.

"We know the people of this town are good workers. We can take prospective new companies to meet local employers to hear first-hand the strength of the labour force.

The Government review of regional policy, a White Paper on which is expected this month is a matter of deep concern to Telford. The town believes the Government can hardly ignore the fact that one in five of its people are unemployed.

Mr Boyce argues that Telford should be included, if as widely rumoured, the government does extend assisted area status to parts of the troubled West Midlands.

But he insists such a move would merely redress the present imbalance: "We have argued consistently that industry should be allowed to compete on an equal footing. We supported the Government's declared aim of rolling back the boundaries of assisted areas."

The government has already given a boost to Telford by designating a 250 acre enterprise—zone which will come in to operation next month. Ironically, Wrekin district council, the local authority that encompasses the new town, refused to be considered for the first round of enterprise zones awarded in 1980.

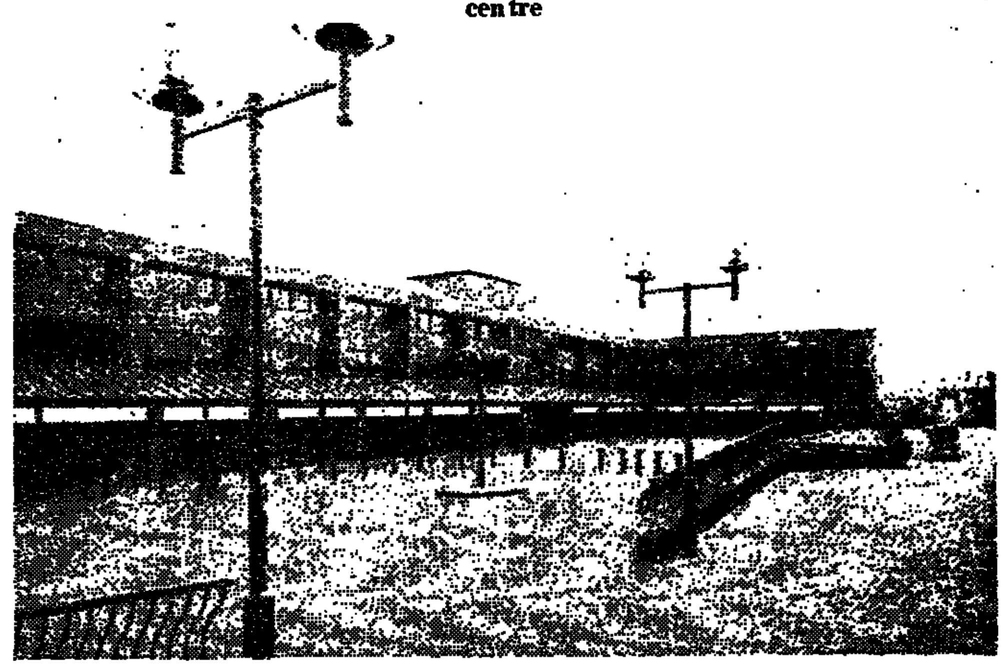
Mr Roger Paine, the chief executive, explains that councillors were concerned such a zone might open up "a planning free-for-all" contrary to the whole concept of Telford's planned environment.

An important factor to swing council support behind the idea was the special concession made to Telford that industry could be explicitly forbidden from a prime 20 acre site in the designated area. The aim is to restrict the site close to the town centre to up-market offices and hotels in order to stimulate the service sector.

Mr Mike Morgan, commercial director of the development corporation and manager of the enterprise zone, says the inquiries for space are already surging in. It is not by accident that the zone straddles the new M54 with two exits giving direct access to industrial sites.

Nobody is as blunt as to say the zone, welçome as it is, is perhaps just a bonus. The key factor to open up Telford for continued expansion is its new multi-million pound motorway link.

Telford continues to score in its drive to attract high technology investment. Above: part of the Stafford Park Industrial Estate. Below: Hazeldine House, a £2m complex of shops and offices which forms part of Telford's covered shopping centre



# TELFORD M54 LINK - 2

## £62m motorway link opens at last

THE M54, after 15 years of controversy, three public inquiries and a cost of £62m, is finally open.

Although an admirable feat of civil engineering, scoring 18 miles through open countryside to link Telford with the M6, the new motorway is as much a tribute to the endurance and patience of the planners and lawyers.

The concept of such a high-speed motorway link pre-dates even the designation of Telford in 1968. A planning brief had been issued the previous year and, in 1969, the Minister of Transport accepted the case for such a route to be called the M54.

But it was not until the June of 1972 that the first public inquiry opened and lasted for two months as some 150 objections were raised. The idea that the A5 might be improved as an alternative was dismissed, and the Minister gave the all clear for a new dual three-lane motorway.

The ambitious project ran into a storm in late 1973 when a local member of Parliament called an adjournment debate in the House of Commons, arguing that the route "posed a serious risk to the countryside."

This was at a time when the environment lobby was strong and the minister appointed an independent adviser to look at how damage to the area could be minimised.

The go-ahead was again given, subject to modifications. Earlier compulsory purchase orders were no longer valid and a second public inquiry was called for February 1976.

The next setback came with a Government review of Telford's population target in the light of much slower economic growth than when the new town was proposed. The consequence of a lower population is less traffic and in February, 1978, the minister decided that the motorway should be reduced from three lanes to two.

### Ironic

Supporters of the motorway saw this as the final irony. Though the impact on the environment was to be much less, there had to be yet another public inquiry because compulsory purchase orders were again different.

In November, just three years ago, the Government gave approval for the third time. Tenders for construction were out within three months and work started within seven.

The main stretch of the M54 was built under four contracts ranging in value from £8m to more than £13m. But two related £2m contracts were important in ensuring access to Telford-Forge Junction and the Randlay-Castle Farm link road.

Mr Nicholas Ridley, the Transport Secretary, has made the point that the Government has kept its promise to ensure the motorway would cause as little intrusion into the environment as possible.

The carriageways have been lowered in part by as much as seven metres to hide them from view.

As part of the landscape design around 250,000 trees and shrubs are being planted. The Department of Transport has brought in the Forestry Commission to do the work.

An example of how the planners have tried to protect the environment on the grand scale is the removal of nearly half a million cubic metres of colliery waste to provide mounds to screen the carriageways.

On a more modest scale, nesting boxes for swifts are to be installed under selected overbridges so that long-established breeding patterns will not be interrupted.

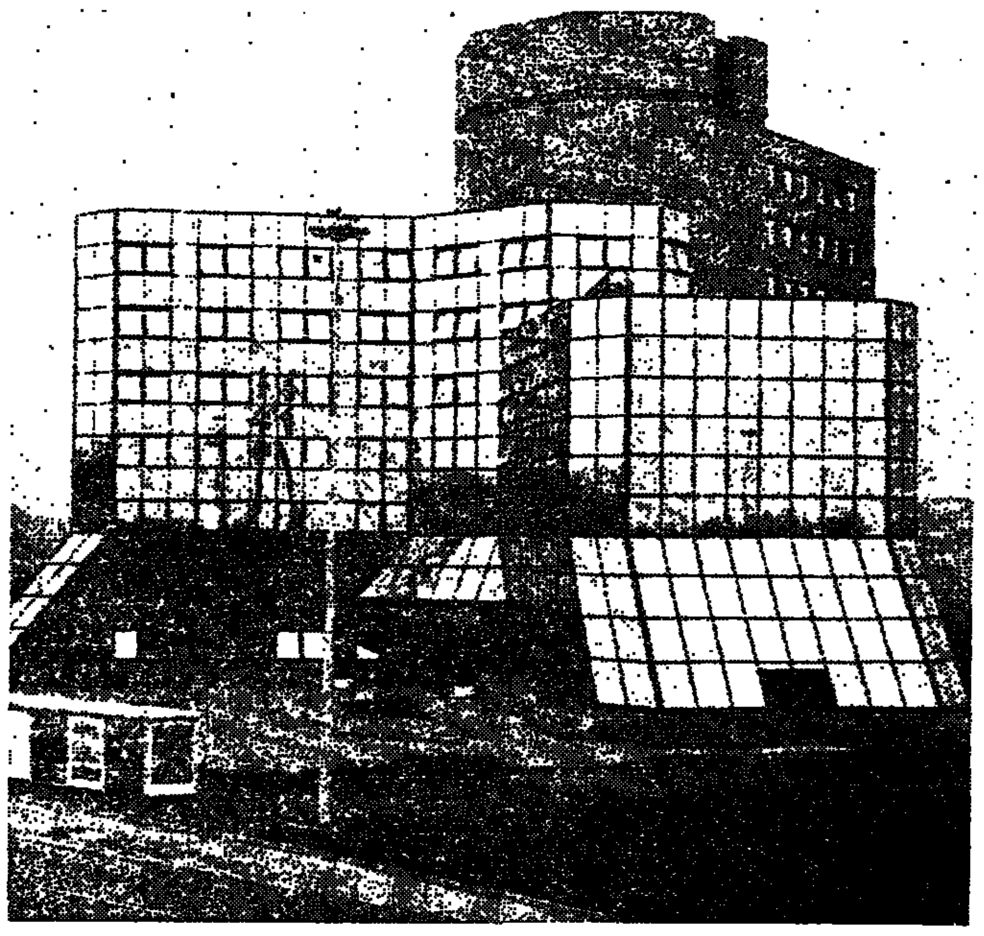
No detail has been spared. The British Trust for Ornithology was brought in to help the Department of Transport design special pitch pine boxes for ease of cleaning.

### THE M54—THE LONG COUNTDOWN

February 1967: Planning brief issued
August 1969: Minister announces proposed M54
June 1972: Public inquiry
August 1973: Minister fixes route
December 1973: Commons debate questions damage to countryside
June 1974: Hearings before independent adviser
July 1975: Environment improvements announced
February 1976: Second public inquiry
February 1978: Transport Secretary cuts motorway to two lanes
June 1979: Third public inquiry
November 1980: Transport Secretary go-ahead to build
June 1981: Construction starts
November 1983: Motorway opened

To protect the environment in the vicinity of the 18-mile motorway link (right), around 250,000 trees and shrubs have been planted alongside the route





Darby House, Telford—an office block with the Dallas look—is the headquarters of the British Brown-Boveri company

Commercial property: Telford boasts 'one of the most modern shopping complexes in Europe'

## Welcome boost for new town centre

TELFORD BOASTS that it has "one of the most modern shopping complexes in Europe" and that it "features the best names in retailing."

Mr Mike Morgan, the development corporation's commercial director, says it would be rather grand to claim the new town centre, started as recently as 1971, was built on a green field site . . . "but it wasn't—there were tips and holes. We had to do a lot of land reclamation before we could even start."

The designated new town began in 1968 as a collection of five townships with a fairly large total population of 70,000 but with no recognised centre. People tended to do their day-to-day shopping locally, but for major purchases to travel the 12 miles west to the county town of Shrewsbury, or 19 miles to the east to Wolverhampton.

Now, Mr Morgan claims it is Telford's 650,000 sq ft covered shopping precinct that provides the draw. Around 5m trips a year are made to the centre which took an estimated £54m last year.

The opening of the M54 is expected to accelerate the centre's takings. The centre's voluntary Traders' Association, in co-operation with the development corporation, is doing a pre-Christmas leaflet drop in areas as far away as Wolverhampton to promote the retail attractions.

An indication of the value that retailers place upon the new motorway, Mr Morgan says, is the £500,000 spent by Carrefour to refit its hypermarket.

Phase two, around 350,000 sq ft, of the retail complex was opened two years ago. Major stores include Sainsburys, Debenhams, C and A and Boots the chemists.

Some six units, totalling 20,000 sq ft, remain unlet, but Mr Morgan argues this is due not to lack of demand but to restrictions imposed by the Development Corporation.

### Right balance

"We have not let for lettings sake, we have definite views of the balance of shopping and the trades we want," he says.

There are no immediate plans for further expansion of the main retail area with its covered and climate-controlled shopping malls. The only scheme sketched out is for a possible 120,000 sq ft project, but the timing of that would depend on the arival of a major space user.

Hazeldine House, a small development near to the covered shopping complex, has just been completed. The small shops and two-storeys of offices are almost fully taken.

Employment in the town centre has grown from 500 to nearly 3,000 in the past 10 years and the Development Corporation forecasts that continued investment will push the total to around 7,000.

Office development has proceeded fairly slowly with the development corporation taking the main initiatives, having built around 140,000 sq ft of the 200,000 sq ft of new accommodation.

It would have been difficult for Telford to emerge as an important office centre over the past decade with so much competitive development taking place elsewhere in the West Midlands.

### Enterprise zone

But the designation of the enterprise zone which comes into effect from January (1984) is expected to give a major boost to Telford Business Park. The 20-acre site is confined to use for offices, a hotel and small shops.

Such a restriction is thought to be unique within an enterprise zone, the concept of which is to allow full planning freedom.

Telford, however, wanted to maintain an up-market image for the business park which is next to the town centre. The aim is to promote confidence so that companies will move in and build their own offices.

The development corporation currently has 31,000 sq ft of offices under construction on the business park. Completion is scheduled for within 10 months with the accommodation available to rent or buy.

The park, with quick access to the M54, offers a variety of serviced office sites. It was the location chosen by the inland revenue for part of its computerised PAYE system.

Individual campus sites of up to 30 acres for office or laboratory use are available throughout the town. But a priority for the development corporation is to attract a new hotel to the business park.

A six-acre site which will draw the benefits of the enterprise zone has been designated and will shortly be put on the market. Mr Morgan says there is definite interest in the project, but stresses "the need to ensure the quality of the development as a whole."

He maintains that the private sector has taken a strong interest in the provision of leisure facilities.

"We thought in the early days there might be a problem as so often in new towns leisure activities tend to follow rather than proceed expansion," he adds.

Mr Morgan points out there are already three golf clubs, including the Telford Golf and Country Club which features a luxury 60-bedroomed hotel.

Last summer saw the opening of the West Midlands Regional Tennis Centre, backed by the Lawn Tennis Asociation. The complex includes eight indoor and six outdoor courts, 10 badminton courts, saunas, restaurants, bars and conference facilities.

The facility, with seating for up to 4,000, will be a major venue for national and international tennis and badminton tournaments.

An international standard ice rink, which can also be used for other large-scale entertainments, is due for completion next autumn.

Another development in the town centre is the provision by a brewery of a 15,000 sq ft complex offering pub, nightclub and disco facilities.

To industry the development corporation can offer new factories ranging from 375 sq ft through to 70,000 sq ft, rents vary from £1.75 a sq ft for the large accommodation to around £2.80 for the small units.

The announcement of the enterprise zone linked with the publicity surrounding the opening of the new motorway has contributed to an upsurge in inquiries, reports Mr Elwyn Jones, the assistant industrial director.

"We are absolutely on the crest of a wave. We are delighted to have attracted the big names, such as Ricoh, but we are also busy at the less spectacular end of the market," he adds.

Mr Jones maintains that factories are being let or sold "at a good rate right across the board."

### Flexibility

The development corporation stresses its flexibility in meeting industrial requirements. Serviced sites of up to 50 acres, or larger, are available. Companies can build for themselves or have the project organised by the development corporation.

Particularly successful has been the provision of starter units. All 20 managed workshops, each of only 100 sq ft, have been let at the Telford industrial centre. This facility, a large factory sub-divided, offers support staff for administration in addition to the loan of machinery.

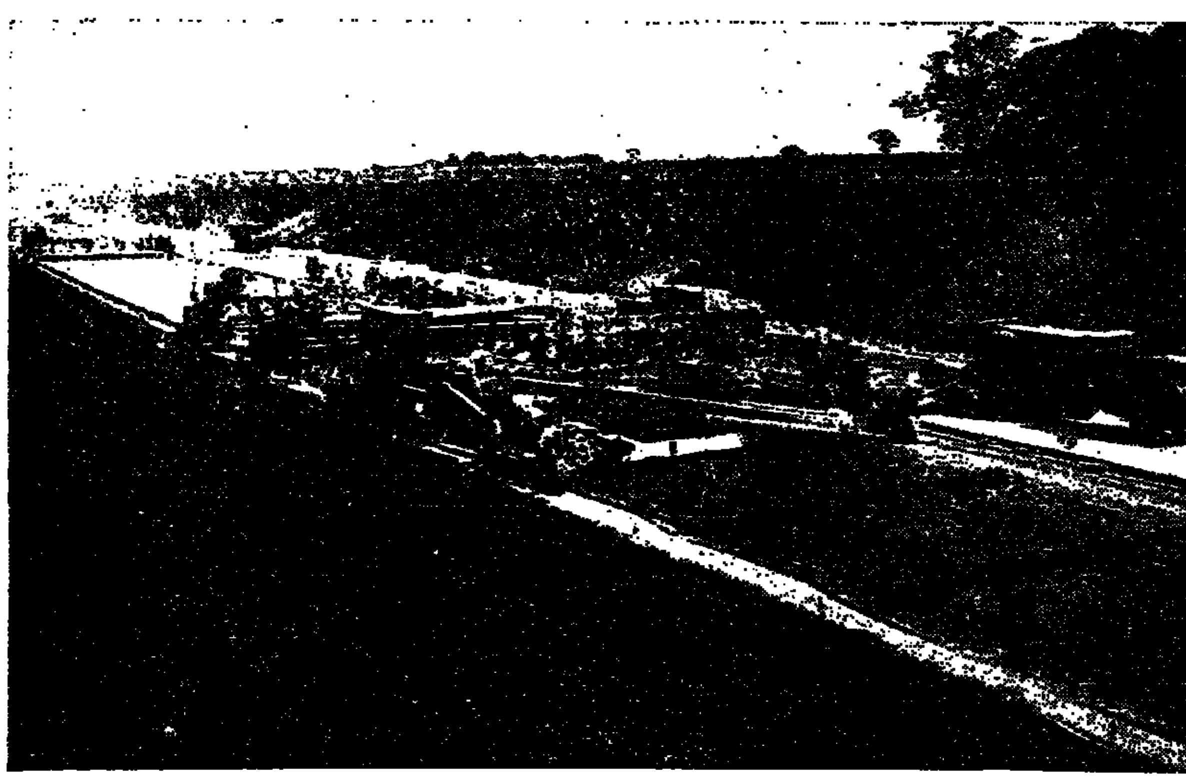
The development corporation plans to start work early in the New Year on another venture, but this time offering 25 slightly smaller units.

For private housing the opening of the M54 is expected to give a stimulus. Prices tend to be somewhat lower than in Wolverhampton or Birmingham.

Many of the big builders are active in Telford, with some 28 developments totally around 1,000 plots currently underway.

The development corporation, as the land owner, maintains it can react swiftly to shifts in demand. The pace at which it releases land and the planning consent is offered clearly have a key role in maintaining the balance of the housing market.









# TELFORD M54 LINK - 3

### TELFORD'S JAPANESE CONNECTION

## A hat trick of successes

**TELFORD, the first new town carefully to cultivate a Japanese connection, has now notched up a hat trick of successes: Hitachi Maxell, Nikon and Ricoh have all announced new investment plans.**

Mr Hiroshi Hamada, president of Ricoh, says: "We chose Telford because it is in the heart of industrial England, offers excellent communications, a stable workforce and a lovely environment."

But Mr Joe Boyce, general manager of Telford Development Corporation, believes it is a longer story than that. Mr Boyce, who set up an office for Telford in Japan five years ago, first went to talk to Ricoh about the advantages of his town three and a half years ago.

He stresses that it is important to develop relationships with the Japanese and that it takes time.

"They rely heavily on trust. There is what I call 'a philosophy of consensus.' They will seek all the advice they can get and arrive at a common decision," he says.

Mr Boyce argues that the Ricoh decision to come to Britain rather than West Germany—a site near Dusseldorf was the main competitor—could have been influenced by Mrs Thatcher's June Election victory.

"Moreover, I think it could herald a lot more Japanese investment in this country," he adds.

He suggests that the Japanese have a preference for England because it has a language which they find easier to speak—"our problem is that for the past 30 years we have presented a disastrous image of industrial unrest, militant trade unions, rocketing inflation and low productivity."

The West Midlands with its car industry was seen by Japan as a notorious blackspot. "From Telford we have worked hard using figures from international organisations like the EEC to correct the misapprehensions," he says.

Mr Boyce says the development corporation's efforts in the past couple of years were aided by a period of stable government—"the Japanese believe Mrs Thatcher's objectives are exactly the same as theirs; that industrial relations and inflation are now under control."

Perhaps the key issue for the Japanese resolved by Mrs Thatcher's victory was Britain's continued membership of the common market.

"The election marked a turning point in British and Japanese trading relationships," he suggests.

### Turning point

The importance of establishing a good understanding with Japanese companies is illustrated by the case of Hitachi Maxell which announced at the beginning of this year (1983) that Telford would be its European centre for the manufacture of video tapes.

Hitachi has taken a 60-acre site. Production from its 110,000 sq ft factory will start early next year and is planned to rise to more than 12m tapes a year. Previously the company had concentrated only on marketing its products in the UK. But Telford was seen as a good manufacturing base to serve the European market.

Mr Boyce says that while Hitachi was exploring the possibilities of Telford, he was able to take a delegation of Japanese executives to 12 local companies "to see for themselves that industrial relations were as good as the town's promotional literature claimed."

The development corporation is also helping Hitachi to recruit the 180 workers it will need for the factory. But the methods are unusual.

Mr Boyce says "open-ended" advertisements were placed in Birmingham and Shropshire, merely stating the company's philosophy and that it required employees. There was no mention of what skills were required.

The initiative prompted some 4,000 inquiries and resulted in 2,000 applications. The first seven employees who were appointed, spent three months working in Hitachi plants in Japan, and are now back in Telford with five Japanese nationals to form the nucleus of the workforce.

The eight, all men aged between 20 and 40, each did a full range of jobs from injecting moulding to assembly, packing and despatch.

Mr Boyce maintains there is no disquiet that Hitachi do not have trade unions. "These recruits say that relations between workers and managers are so different—that there is an identity of interest."

Nikon, which chose Telford as its national distribution centre for microscopes and ophthalmic equipment, singled out the service given by the development corporation and the vital link the M54 would form.

"Consideration was given to a possible 40 locations in South Wales, Warrington and the Midlands, but only Telford came up to our requirements," says Mr Richiro Obara, managing director of Nikon UK.

But it is the decision by Ricoh, one of Japan's leading photocopier companies, to opt for Telford as its European manufacturing base that is seen as the real breakthrough for the town. Ricoh is the first Japanese company to announce plans to make office equipment in the UK.

Significantly, the 47-acre site adjoins the M54. Initially, Ricoh will manufacture photoconductor drums and bottles of dry toner, the chemical used to form the image on a photocopy. But complete copiers might eventually be assembled at Telford.

The first £5m investment will create 100 jobs by early 1985. But the capital spend could rise to £15m or more within three years by which time employment could climb to 170.

Mr Hiroshi Hamada expresses the hope "that this investment in your country will help to bring Ricoh more closely into your society." Mr Boyce responds to the point and sees the investment as merely one of many likely to be forthcoming under Telford's Japanese connection.

Mr Norman Lamont, Minister for Trade and Industry, with Mr Hiroshi Hamada, president of the Ricoh company.

Profile: Colin Chapman, Telford entrepreneur.

## 'Business is my life'

COLIN CHAPMAN, frustrated former naval officer and nuclear engineer, admits he is not prone to modesty.

"There was nothing left to fight for in the Navy. It would have been plain sailing to become a rear admiral," he says.

Leaving the Navy as a lieutenant-commander, he set up in business in a three-bedroomed semi in Harrow. He moved to Telford with a four-man team in 1981. Today, as managing director of Chapman Cash Processing, he now employs 77 and expects to top the 100 by the end of the year.

Turnover this year will jump to around £3m. And he sees no reason why revenue and profits should not continue to double "for the forseeable future."

But as an old salt, he confesses to one important failure. Percy, the pet parrot, refuses to swear. Colin and his wife, who doubles as secretary, leave "the little old cottage that overlooks the River Dee and the Welsh Border" for the one-hour journey into Telford each day. The four geese, two cats, dog and six chickens are left to fend for themselves.

Colin maintains that the business "is his life."

Chapman Cash Processing builds and writes programmes for microcomputer controlled cash handling systems used in banks, security companies, shops and the nationalised industries.

Its success in devising new products and markets stems from Colin's enthusiasm about things practical. In the navy he learned computer programming and took a post-graduate degree in nuclear engineering.

But he maintains that it was fighting up through the ranks to become a lieutenant-commander that posed the big challenge—"I decided I had had all the fun. I resigned at the age of 37 to go into industry."

### 'Quite a shock'

He left the Navy on the Friday and started work as a factory manager the following Monday. "The place was full of women—about 200 of them turning out electronic instruments. It was quite a shock. At that time I didn't even know what profit was," he laughs.

From there he joined De La Rue Systems, eventually becoming operations director and becoming involved in high technology machines for dealing with and sorting banknotes. The next move was to set up a sales and marketing company for a Swiss-based company that wanted to import Japanese-made coin machines to the UK.

"I was in consultation with a number of the banks but with the National Westminster in particular. I developed a new system at home and wrote the software."

The Swiss company did not want Mr Chapman's new product, so he recruited his replacement and branched out on his own, operating from home.

As the opportunities for new markets appeared he gave a 40 per cent stake in the new company to Venture Founders, a capital fund that provided £250,000 for Chapman to move to a factory in Telford in 1981.

But why Telford?

"Because it's in the middle of the country, near to the M6. We knew the all-important M54 link was about to be provided. We are close to Birmingham and only an hour or so from Manchester and Sheffield."

Mr Chapman says his customers were initially concentrated in the south but have spread wider since coming to Telford.

"We were conscious we were moving out of the technology belt, but Telford is quickly emerging as an alternative centre," he adds.

Mr Chapman, a firm believer in free enterprise but "too busy for politics," offers unsolicited praise for the Telford Development Corporation.

He cites the example of how he was developing an important new system with British Telecom: "We wanted to test a 95 feet long conveyor, but there was not room in the factory. The development corporation let us knock a hole through to the vacant factory next door."

That vacant factory was eventually taken over by Chapman who has already doubled his space to 14,000 sq ft and sees nothing but progressive expansion.

Another important development corporation initiative to which he draws attention is the training of labour.

"When we first came here, people were calling at the factory every day looking for work," he says. "They tended to have worked for the big companies who were shedding labour. But at the age of 35, they were little more than machine minders—useless for a company like us."

Mr Chapman says that Lord Northfield, the chairman of the development corporation, called in the managing directors of companies in the town to ask about any problems.

"From that he set up training centres. Now we are able to draw upon a local workforce with all the necessary skills in micro-computers, wiring and electronics."

Mr Chapman's company operates a system in London by which the silver-coloured telephone kiosks automatically ring his computer when the coin boxes are two-thirds full. His computer then rings the computer of the relevant British Telecom manager to pass on the information.

More than that, as soon as the boxes are collected manually, the kiosks will ring Mr Chapman's computer with a fairly accurate estimate of how much money they contain.

Equally important for business success, Mr Chapman argues, is the quality of the labour force.

"When we were going for the British Telecom order people were prepared to work all night —and I don't pay overtime. There were beds all over my office so that we could get the equipment ready on time."

### Share ownership

He is a keen advocate of share ownership in order to win involvement by employees. Some 28 of the 77-strong workforce already own shares. "I want everyone to be a shareholder. That is the only way to get employees to dedicate themselves," he says.

Ironically Mr Chapman has personally just reduced his holdings to only 16 per cent. That was in the pursuit of extra finance to maintain the pace of expansion.

"We have sold a third of the company by a private placing in the City of London which has raised £1m."

Some of the money will go to back a new type of coin-counting mechanism which could improve the reliability of vending machines. The device is aimed at the £7m-a-year European market for coin validation in the vending, amusement and video game sectors.

Mr Chapman says the system can be programmed to identify coinage from any country in the world and can even discriminate between different vending tokens — something which has proved a problem in the past.

But there are other products on the stocks—"The markets we are looking at are very large indeed," he says and forecasts that the company will have to take on another 30 workers by the end of the year.

What about sales overseas?

"We don't export yet, but that is an obvious target. I'm going to Australia this month to set up a marketing company. But that is only the begining," he says, confidently.

**ARTHUR SMITH**

# THE PROPERTY MARKET BY MICHAEL CASSELL

## Overseas expansion for two UK groups

THE LURE of overseas property investment remains strong, with both Hammerson and MEPC this week revealing plans to strengthen and expand their foreign property operations.

First off the mark was MEPC, which said it was proposing to spend around A$25m to take an ultimate 49.9 per cent stake in Australian Shopping Centres, a property unit trust based principally in the Perth area.

The deal involves the initial purchase, for A$11m, of the 23.9 per cent interest held by Bill Wyllie, the co-founder and executive chairman of the BSR group. With a portfolio value of between A$60-A$70m, MEPC is buying in at a useful discount and the purchase will also prove highly tax-efficient.

MEPC has nearly run out of development sites of its own and the ever-watchful Foreign Investment Review Board will put a stop to any more direct schemes. With rental income from Australia now up to nearly 13 per cent of worldwide rental income, the group wants to keep the momentum going and there are few options available.

The unit trust is a rare opportunity to secure future expansion and MEPC has been quick to pounce. From the outset, it will take over management and hopes are that it could soon consider fresh developments, helping to end what Christopher Benson, MEPC managing director, describes as "a pretty sterile couple of years" on the development front.

As for Hammerson, Canada's Foreign Investment Review Agency has yet to pass judgment on the group's move to take control of Mascan, the Ontario-based property company which has a few useful properties as well as more than a few debts. The price tag will be under C$100m (£55m).

Mascan, which was built up by Mr S. B. McLaughlin before going public, ran into problems by over-expanding its residential land bank. Most of its principal property investments are located in the Toronto area.

Major elements in the portfolio include a 1m sq ft shopping centre in Mississauga, Toronto, together with four nearby, modern office buildings providing a total floorspace of over 650,000 sq ft.

Sydney Mason, Hammerson chairman, believes he has the agreement of shareholders representing about 80 per cent of Mascon's equity, though he is waiting for creditor and FIRA approval before starting the celebrations.

Mason, whose North American adventures have until now been confined to Canada, could also soon have cause for celebration south of the border. Any time now, he looks set to announce Hammerson's first acquisition in the U.S.—in Los Angeles.

## Brussels begins the slow climb back

THE "To Let" signs are still scattered prominently and profusely around Brussels, as they have been for several years. Nowadays, however, the space available is more likely to be limited to one or two floors, rather than whole buildings.

The enormous oversupply of commercial space which arose in the early 1970s and caused major headaches for several UK property developers and institutions is gradually being taken up, helped by the very low level of new buildings coming on to the market.

Jones Lang Wootton's latest Belgian Property Review reveals that, by July this year, the total vacancy ratio for all buildings in town was 4.5 per cent, against 7 per cent in 1982.

JWL estimates that their next office survey is likely to show a vacancy ratio down to about 4.1 per cent. The ratio of new buildings available compared with the total stock "is substantially less than 1 per cent."

The agents say there has been a net reduction in overall supply of 40 per cent in the past two years, from 384,000 sq m to 243,000 sq m.

New commercial development has been dominated by three Belgian developers. Bernheim Outremer is the largest, backed by the Banque Brussels Lambert, Goldberg is a smaller successful private company and there is Codic, which was taken over by Espley Tyas in 1982 and is managed by Jaques Lemal, its former owner.

Since becoming a part of Espley, Codic has greatly expanded its industrial and retail development programme to around BF 800m (around £100m). The company's philosophy—as far as possible to pre-let, design and build developments—has allowed it to find viable sites in a generally dull market.

Jaques Lemal says that good local experience is essential. The company is looking to expand in other countries in Europe, including France and Holland. "But we would find local expertise to manage the business, rather than bring in outsiders," he emphasises.

Local experience has enabled Codic to find good locations, to get appropriate planning permission and to fix contracts on building costs. With a knack of quickly turning round sites from purchase to completion, it manages generally to get a 20 per cent return on capital.

### Option

One such example is a two-phase office development on the Boulevard de la Woluwe, near the airport. The first phase of 36,000 sq ft is pre-let to 3M Corporation, lured out of the centre of town on the Avenue des Arts, and has been sold on to the Belgian IBM pension fund.

Codic held an option on the land but delayed paying for it until it had secured the pre-let. It started building in April and completion is due in December. Because of the plentiful supply of space, developers need to be very competitive on running costs, paying particular attention to insulation and ventilation systems. Codic has a target on its 3M building of less than BF 500 a sq m for annual running costs.

Another example of shrewd development stands in the Place de Luxembourg, an area with planning permission officially restricted to residential development. Codic has converted an old house into a bank, preserving the exterior facade, and let it to the Societe Generale de Banque. Behind the building is an office development, including a workshop for MSI Data International. Codic secured a 27-year ground lease from the bank, and a 5, 7, 9 year lease from MSI as opposed to the usual 3, 6, 9 year arrangement which is more favourable to the tenant.

Office rents in Brussels have risen from an average BFr 2,000 a sq m to BFr 4,500 a sq m in the last five years and, according to JLW, have hardened in the last 12 months. Recently completed industrial developments have achieved rents of BFr 1,800 a sq m rising to BFr 2,500 a sq m with associated offices.

JLW say that tenants have become aware that rents are not the only factor of importance in their choice of buildings. "The gross to net ratio, the standard of finishings included and, very importantly, the cost of service charges in air-conditioned buildings are increasingly scrutinised by prospective tenants and purchasers," according to the agents.

The chartered accountants Deloitte Haskins & Sell were recently rehoused by JLW and proved discerning clients. They decided to move from their offices, which were spread over three floors in Place Rogier, to floor space on one level. In doing so, they managed to reduce their annual rental bill by 47 per cent. The new office in Avenue de Louise, is smaller in terms of square metres than their old office, though there are savings on common space in moving to one floor. Deloittes have overcome the Belgian practice of measuring floor space from the outside extremity by choosing a building with thinner outer walls.

Costs per sq m, including charges, have been reduced from BFr 4,900 a year to BFr 3,600. Deloittes managed to get the original asking rent, excluding charges, of BFr 3,150 reduced to BFr 2,600. If it stays for six years, it will get all the internal partitioning and furnishing costs, worth BFr 5m, free from Marubeni of Japan, the owners.

Such attractions certainly make the Brussels office market look among the cheapest and most attractive in Europe. But these have to be balanced against the running costs, including employment overheads which are among the highest in Europe.

The Belgian property market is improving slowly and there are valuable opportunities for developers with the knowledge, speed and resources to exploit them. But it looks like being a couple of years yet before institutions will see returns sufficiently attractive to tempt them to re-enter the direct property market.

ALISON HOGAN

## Amex buys City offices for £28m

IN ONE of the biggest property sales seen this year in the City of London, part of American Express has paid over £28m for Peninsular House, Monument Street.

The building has over 80,000 sq ft of lettable floorspace and was completed a year ago. It was developed jointly by the City Corporation and Trade Development Bank, part of the American Express group. Michael Laurie and St. Quintin were the agents.

The bank has an over-riding lease on the building and occupies about half the floorspace. Other tenants include Shearson—also part of Amex—and Credit Commercial De France. The property aroused a great deal of investment interest and sealed bids were accepted. The sale shows a net yield of about 5.35 per cent.

● Healey and Baker's latest prime commercial property yield graph shows no changes, with shops standing at 3.65 per cent, offices at 4.75 per cent and industrials at 6.75 per cent. H and B says, however, that investors seeking prime shops may now have to bid below existing yield levels to succeed.

● Brixton Estates has let 20,000 sq ft of space on its Townsend industrial estate at Houghton Regis, Dunstable. The Post Office and Homescene Trading are the tenants and rents were near the asking level, which ranges from £2.30 a sq ft to £2.52 a sq ft. Joint letting agents are Cannells Commercial, Chamberlain and Willows, and Mills and Wood.

● London and Paris Properties has paid £4m for the former Grand Metropolitan headquarters at Stafford Place, London W.1. The company has sold numbers 7 and 8 to Touche Remnant Property Investment Trust and is to refurbish number 6 before letting it through Goldenberg and Co. Conrad Ritblat acted for Grand Metropolitan and Verschoyle Fleming acted for Touche Remnant.

● Mr John Parry, managing director of Commercial Union Properties is leaving at the end of the year to join Hammerson as an executive director. Mr I. D. Matheson will take his place.

● Laing Properties has started work on its $35m high-technology development at Lakeside Centre, Atlanta, Georgia. The first 150,000 sq ft of the 400,000 sq ft centre will be ready next spring and Arthur Rubloff are letting agents.

● The 1984 conference of the International Council of Shopping Centres will be held in Berlin on March 31-April 3. The updating of shopping centres will be the principal theme.

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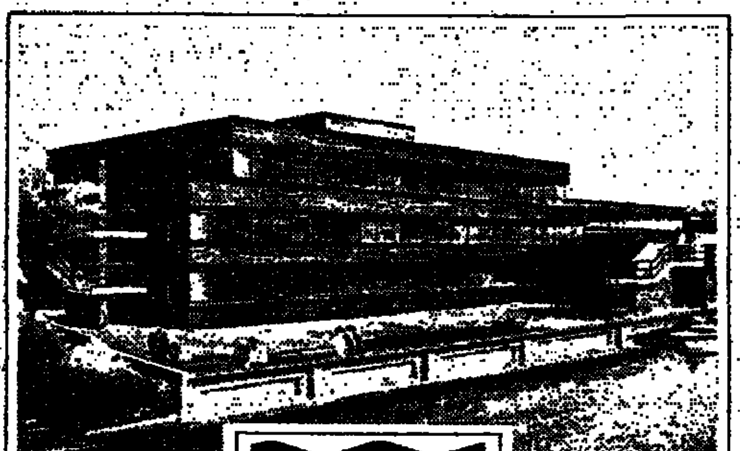

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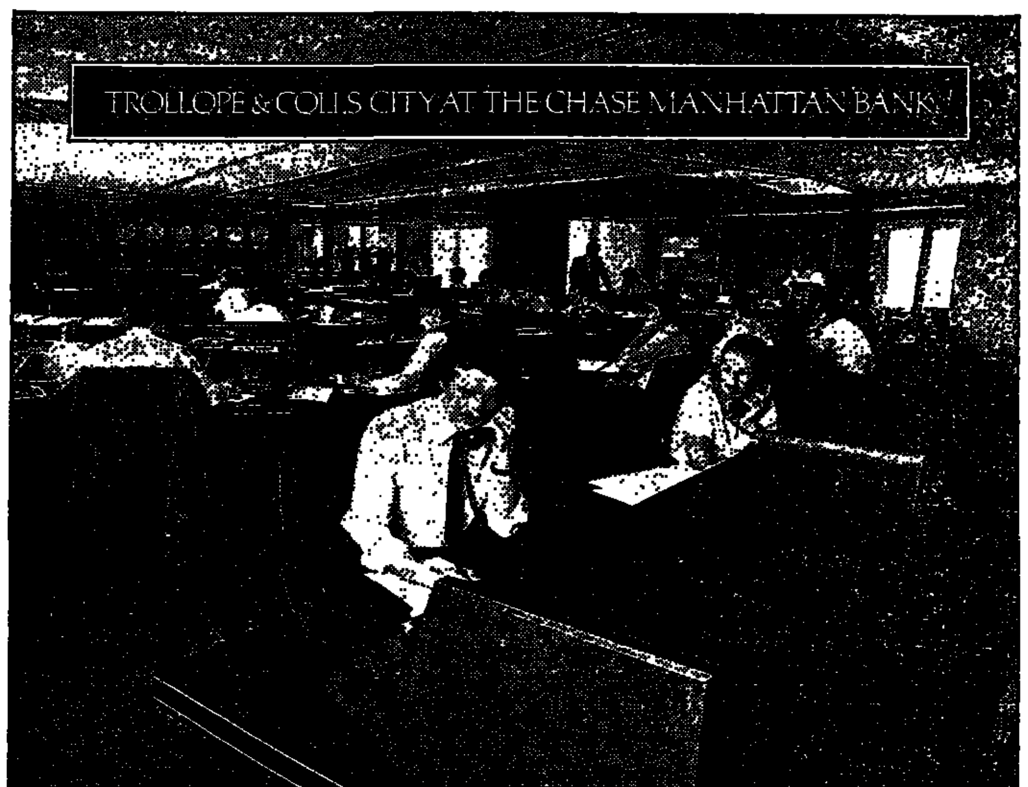

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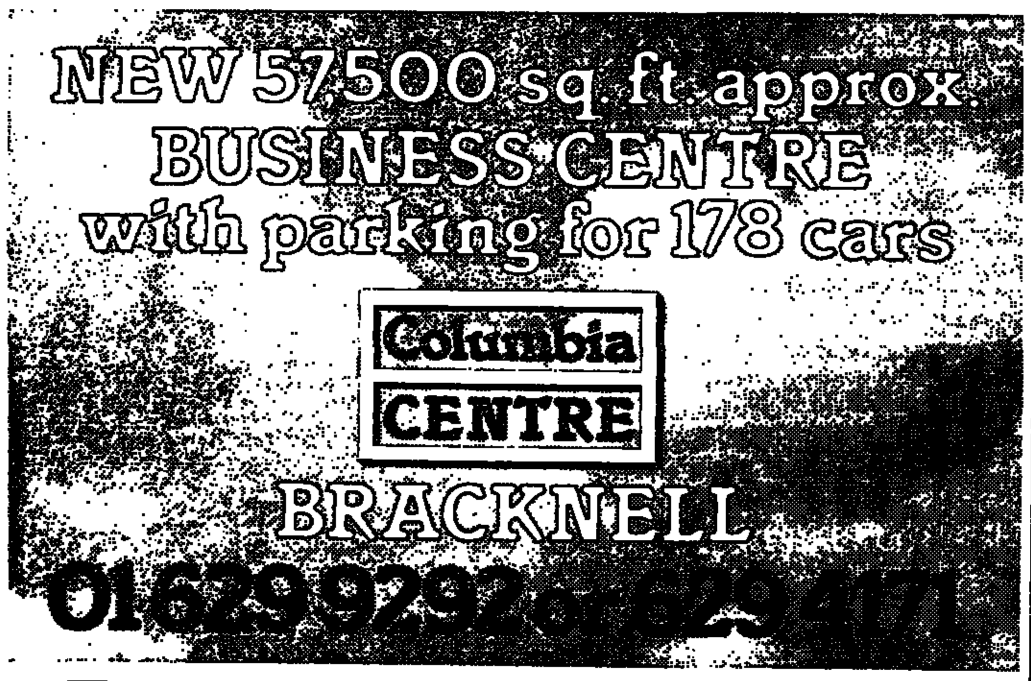


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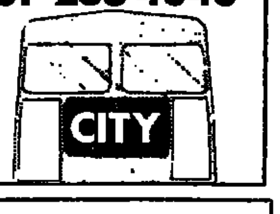
REF. C.J.R.T.
**01-236 4040**




## HOLBORN

**MODERN OFFICE BUILDING**
**FREEHOLD**
**FOR SALE**
**all amenities**

*Write: Box T5997*
*Financial Times*
*10 Cannon Street*
*London EC4P 4BY*

RELOCATE AND JOIN THE CHESHIRE SET
Bramhall Near Stockport, Cheshire
MODERN SELF-CONTAINED OFFICE BUILDING FOR SALE (with Vacant Possession) 7530 sq. ft.
- Suitable for Regional Headquarters
- Excellent on site parking
- 3 miles from Stockport town centre
- Manchester International Airport and Motorway connections within 15 miles drive

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**I.B.A. INVESTMENT**—Various South East locations. Completions prior March, 1984. Guarantees available. Lot size £70,000-£550,000. 01-591 6671.

**IBA PRE-LET FACTORY** Units/Estates completing in S.E. Write Box T.5996, Financial Times, 10, Cannon Street, London EC4P 4BY.

## OFFICES

**CITY OFFICES**
30/32 LUDGATE HILL
REFURBISHED SUITES
660 to 1530 SQ FT
£12.50 per sq ft
JAMES NEEDS & PTNRS
01-724 0291

EC2—Prime Offices 2,850 sq. ft. Centrally heated and fully fitted out. Details from Vigers. 01-606 7601.

## CLUBS

**EVE** has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St 01-734 0557.

**RAMON'S NIGHTCLUB RESTAURANT**, 42, Dean Street W1. Where today's businessman can relax and enjoy an exciting evening. Various cabaret acts throughout. Charming and discreet dancing partners available. Open nightly 9 pm to 3 am. 01-437 9455.

## OFFICES TO LET

**ARCHWAY**
724 HOLLOWAY ROAD
London N19
PRESTIGE SECOND FLOOR OFFICE SUITE
TO LET — 3,200 SQ. FT. NET
Amenities: fully fitted and carpeted independent gas-fired c.h. lift and prestige reception
*Apply Joint Sole Letting Agents:*
PHILIP ANDREWS
01-486 5991
STURT & TIVENDALE COMMERCIAL
01-348 8131/9

**140 PARK LANE**
Superb self-contained small suite of 4 ATTRACTIVE OFFICES
Comprising 857 sq ft in this prestige building, with views over Hyde Park. Rental £17,500 pa exclusive on a short let basis
Tel: Philip Andrews
01-486 5991

**MAYFAIR** — Suites of luxury furnished offices available immediately in prestige building ideal for senior company directors. Secretarial services in-house Albemarle Administration 01-493 8166

**REIGATE, SURREY** — Superb new offices, 2,176-5,300 sq ft. Sole Letting Agents Maxwell Brown 07372 43328.

**SUPERB FURNISHED** panelled office suite in Period Listed Building in Brook Street, Mayfair. First floor, 4 offices 950 sq. ft. Principal office with antique furniture — must be seen. Telephones, telex fully incl rent. Kenneth Brown and Co. 01-629 6102.

**HOLBORN, WC1.** 2,100-4,800 sq. ft. Refurbished Offices to let. Only £15.25 per sq. ft. for rent, rate and service charge. 01-405 6944. Ref: FMH

## FOR SALE

**BURY PLACE, WC1**—To Let/Freehold for Sale. Entire office building 2,400 sq. ft. Central heating, lift. Boardroom suite. Palmane & Partners. 01-856 1011. Humberts. 01-248 3121.

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**ST. JOHNS WOOD**—5,000 sq. ft. Light industrial warehouse. Temporary let 18 months—5 years. Tel 01-629 2331.


# 30-34 Albert Embankment LONDON SE1

OFFICE BUILDING FOR SALE OR TO LET
with outstanding river views . . .

**32,500 sq.ft. approx. with vacant possession of major part plus 14 car parking spaces**

**Healey & Baker**
Established 1820 in London
118 Old Broad Street, London EC2N 1AR
Telephone 01-628 4361

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**Economical Offices Now Available in Pieces.**

**12,000 ~55,000 sq.ft. TO LET**

FULLER PEISER 18 Bolton Street London W1Y 8HX 01-499 8931
200 YEARS OF EXPERIENCE 1983-1983

**CITY OFFICES TO LET 10,000 SQ.FT.**

| ACROSS | DOWN |
|---|---|
| 1. Excellent | 3. Structure |
| 2. Like a town in Somerset | 4. Residence |
| | 5. Where Lloyds is |

FOR MORE ANSWERS
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**MORTGAGES**
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Hirsch Mortgage (Int'l) Ltd.
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# 499 PARK AVENUE

at 59th Street

Two contiguous tower floors, at one of Park Avenue's finest office buildings, are presently available for sublease in their entirety or individually.

Approximately 20,000 square feet, with many capital improvements and excellent views. Ideal for banking or corporate offices.

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## New Warehouses Madrid-Valdemoro

New Warehouses 20.000 square meters
Property 70.000 square meters

Direct highway access, 6 siding tracks

For sale or lease far under market value

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10 Cannon Street, London EC4P 4BY.

**Sw. Fr. 350.000**
VERCORIN, CENTRAL VALAIS
SWITZERLAND
Summer and Winter resort
Sold directly by owner
New Chalet, facing south, sunny
500 m² Land
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Tel: 0041.27.55 82 82

## SWITZERLAND

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YOU can buy apartments in MONTRAEUX on LAKE GENEVA. Also available in famous mountain resorts: VILLARS, VERBIER, LES DIABLERETS, LEYSIN, CHATEAU D'OEX NEAR GSTAAD. Individual Chalets available in lovely CHAMPERY, a skiing paradise. Excellent opportunities for foreigners.

Prices from SwFr 200,000 - Liberal mortgages at 6½% interest

Developer, c/o Globe Plan SA, Mon-Repos 24, 1005 Lausanne, Switzerland
Tel: (21) 22 35 12 - Telex: 25185 MELIS CH

**VISIT PROPERTIES—NO OBLIGATION**

**ATHENS AREA PROJECT**
Long established Construction and Tourism Enterprise seeks participation or buyer for building project in Athens area. They own a 220,000 sq ft building under construction with permit for B Class Hotel (350 rooms) plus offices and department store. The whole project can be used as offices.
*Reply Box T5984, Financial Times 10 Cannon Street, EC4P 4BY*

**OFFICE BUILDING**
Lucerne Area
Attractive generously dimensioned Office Building
Constructed in 1980/81
Area 2,509 sq m. (2,700 sq ft), splendid view, 4 floors, office space 9,888 sq ft plus apartments on top floor 2,422 sq ft, large parking space, partially furnished, most convenient for Swiss office of international company.
SwFr3.8m
*For further details please write:*
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Klusenstrasse 18
CH-6043 Adligenswil, Switzerland

**SOUTH OF PORTUGAL**
PROPERTIES AT REASONABLE PRICES
200,000 sq. m. at 2 km of beach in Algarve. 620,000 sq. m. at 13 km of the sea. Both with plenty water, fruit trees, etc., etc. Ideal for golf or other development. 660,000 sq m. including duck farm, production capacity 40,000 per month. Cork trees, etc., etc.
Details: Mr Baptista, 11 Eccleston Square, London SW1. Phone: 01-828 5884. Telex: 8953156.

**GIBRALTAR**
Complete Office Building To Let
Just renovated. Handsome Colonial Block looking into its own paved patio, having a mature orange tree in it. In a central and prestigious situation but secluded. Suitable Accountants, Banks, Stockbrokers, etc
*Write Box T5989, Financial Times 10 Cannon Street, EC4P 4BY*

**COMMERCIAL AND INDUSTRIAL PROPERTY APPEARS EVERY FRIDAY.**
The rate is £30.00 per single column centimetre.

## COMPANY NOTICES

### ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

*(Incorporated in the Republic of South Africa)*

**NOTICE TO HOLDERS OF ORDINARY SHARE WARRANTS TO BEARER PAYMENT OF COUPON No. 100**

With reference to the notice of declaration of dividend advertised in the press on 25th November 1983, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of 35 cents per share was declared in South African currency. South African non-resident shareholders' tax at 4.764795 cents per share will be deducted from the dividend payable in respect of all share warrant coupons leaving a net dividend of 30.235205 cents per share.

The dividend on bearer shares will be paid on or after 13th January, 1984 against surrender of coupon No. 100 detached from share warrants to bearer as under:—

(a) At the offices of the following continental paying agents:

Credit du Nord,
6-8 Boulevard Haussmann,
75009 Paris

Banque Bruxelles Lambert,
24 Avenue Marnix,
1050 Brussels

Societe Generale de Banque,
3 Montagne du Parc,
1000 Brussels

Swiss Bank Corporation
1 Aeschenvorstadt,
4002 Basle

Union Bank of Switzerland,
Bahnhofstrasse 45,
8021 Zurich

Banque Internationale a Luxembourg S.A.,
2 Boulevard Royal,
Luxembourg

Banque Generale du Luxembourg S.A.
14 rue Aldringen,
1118 Luxembourg

Payments in respect of coupons lodged at the office of a continental paying agent will be made in South African currency to an authorised dealer in exchange in the Republic of South Africa nominated by the continental paying agent. Instructions regarding disposal of the proceeds of the payment so made can only be given to such authorised dealer by the continental paying agent concerned.

(b) At the London Bearer Reception Office of Charter Consolidated P.L.C., 40 Holborn Viaduct, London EC1P 1AJ. Unless persons depositing coupons at such office request payment in rand to an address in the Republic of South Africa, payment will be made in United Kingdom currency either:
(i) in respect of coupons lodged on or prior to 6th January 1984 at the United Kingdom currency equivalent of the rand currency value of their dividend on 12th December 1983, or:
(ii) in respect of coupons lodged after 6th January 1984 at the prevailing rate of exchange on the day the proceeds are remitted, through an authorised dealer in exchange in Johannesburg to the London Bearer Reception Office.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10.00 a.m. and 3.00 p.m.

United Kingdom income tax will be deducted from payments to any person in the United Kingdom in respect of coupons deposited at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue non-residence declaration forms. Where such deduction is made, the net amount of the dividend will be the United Kingdom currency equivalent of 24.5 cents per share in terms of sub-paragraph (b) above arrived at as follows.

| | South African Currency Cents Per Share |
|---|---|
| Amount of dividend declared | 35.0 |
| Less: South Africa: non-resident Shareholders' tax at 13.6137% | 4.764795 |
| | 30.235205 |
| Less: U.K. income tax at 16.3863% on the gross amount of the dividend of 35 cents | 5.735205 |
| | 24.5 |

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
J. C. Greensmith

London Office:
40 Holborn Viaduct,
London EC1P 1AJ.

1st December 1983

NOTE:
The Company has been requested by the Commissioners of Inland Revenue to state:
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 16.3863% instead of the basic rate of 30% represents an allowance of credit at the rate of 13.6137%.

AAC

**NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MAKITA ELECTRIC WORKS LIMITED**

We are pleased to confirm that copies of the Semi-Annual Report for the six months ended August 20, 1983 are now available to EDR holders, upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.

CITIBANK, N.A.
(CSSI DEPT.)
London Depositary

December 2, 1983.

**THE DAIWA BANK LIMITED**

We hereby notify all holders of Floating Rate London Dollar Certificates of Deposit due 6th February, 1987 of the Daiwa Bank Limited (the "Bank") that as of 24th November, 1983 the Bank has appointed Daiwa Bank Trust Company, New York, as successor to the Bank (at its branch in New York City) as Registrar for such Certificates in Registered Form.

THE DAIWA BANK, LIMITED.

## BOND DRAWING

### PRIVREDNA BANKA ZAGREB

**LOAN OF U.S.$50,000,000**
**FLOATING RATES 1978-1986**

We inform Bondholders that the U.S.$5,000,000.— instalment due for amortisation on December 28, 1983 has been met by a draw by lot.

Considering 5,000 bonds are to be redeemed and the draw must be made by series with a maximum of 10 bonds, one series of 10 in every two series was taken up and the following bonds are called for repayment with their coupons payable in June 1984 and subsequents attached.

| | | | | | |
|---|---|---|---|---|---|
| 1 | to | 4 | 15 | to | 24 |
| 35 | to | 44 | 55 | to | 64 |
| 75 | to | 84 | 95 | to | 104 |
| 115 | to | 124 | 135 | to | 144 |
| 155 | to | 164 | 175 | to | 184 |
| 195 | to | 204 | 215 | to | 224 |
| 235 | to | 244 | 255 | to | 264 |
| 275 | to | 284 | 295 | to | 304 |
| 315 | to | 324 | 335 | to | 344 |
| 355 | to | 364 | 375 | to | 384 |
| 395 | to | 404 | 415 | to | 424 |
| 435 | to | 444 | 455 | to | 464 |
| 475 | to | 484 | 495 | to | 504 |
| 515 | to | 524 | 535 | to | 544 |
| 555 | to | 564 | 575 | to | 584 |
| 595 | to | 604 | 615 | to | 624 |
| 635 | to | 644 | 655 | to | 664 |
| 675 | to | 684 | 695 | to | 704 |
| 715 | to | 724 | 735 | to | 744 |
| 755 | to | 764 | 775 | to | 784 |
| 795 | to | 804 | 815 | to | 824 |
| 835 | to | 844 | 855 | to | 864 |
| 875 | to | 884 | 895 | to | 904 |
| 915 | to | 924 | 935 | to | 944 |
| 955 | to | 964 | 975 | to | 984 |
| 995 | to | 1004 | 1015 | to | 1024 |
| 1035 | to | 1044 | 1055 | to | 1064 |
| 41075 | to | 41084 | 41095 | to | 41104 |
| 41115 | to | 41124 | 41135 | to | 41144 |
| 41155 | to | 41184 | 41175 | to | 41184 |
| 41195 | to | 41204 | 41215 | to | 41224 |
| 41235 | to | 41244 | 41255 | to | 41264 |
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| 41835 | to | 41844 | 41855 | to | 41864 |
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| 41915 | to | 41924 | 41935 | to | 41944 |
| 41955 | to | 41964 | 41975 | to | 41984 |
| 41995 | to | 42004 | 42015 | to | 42024 |
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| 42075 | to | 42084 | 42095 | to | 42104 |
| 42115 | to | 42124 | 42135 | to | 42144 |
| 42155 | to | 42164 | 42175 | to | 42184 |
| 42195 | to | 42204 | 42215 | to | 42224 |
| 42235 | to | 42244 | 42255 | to | 42264 |
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| 42315 | to | 42324 | 42335 | to | 42344 |
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| 48835 | to | 48844 | 48855 | to | 48864 |
| 48875 | to | 48884 | 48895 | to | 48904 |
| 48915 | to | 48924 | 48935 | to | 48944 |
| 48955 | to | 48964 | 48975 | to | 48984 |
| 48995 | to | 49004 | 49015 | to | 49024 |
| 49035 | to | 49044 | 49055 | to | 49064 |
| 49075 | to | 49084 | 49095 | to | 49104 |
| 49115 | to | 49124 | 49135 | to | 49144 |
| 49155 | to | 49164 | 49175 | to | 49184 |
| 49195 | to | 49204 | 49215 | to | 49224 |
| 49235 | to | 49244 | 49255 | to | 49264 |
| 49275 | to | 49284 | 49295 | to | 49304 |
| 49315 | to | 49324 | 49335 | to | 49344 |
| 49355 | to | 49364 | 49375 | to | 49384 |
| 49395 | to | 49404 | 49415 | to | 49424 |
| 49435 | to | 49444 | 49455 | to | 49464 |
| 49475 | to | 49484 | 49495 | to | 49504 |
| 49515 | to | 49524 | 49535 | to | 49544 |
| 49555 | to | 4964 | 49575 | to | 49584 |
| 49595 | to | 49604 | 49615 | to | 49624 |
| 49635 | to | 49644 | 49655 | to | 49664 |
| 49675 | to | 49684 | 49695 | to | 49704 |
| 49715 | to | 49724 | 49735 | to | 49744 |
| 49755 | to | 49764 | 49775 | to | 49784 |
| 49795 | to | 49804 | 49815 | to | 49824 |
| 49835 | to | 49844 | 49855 | to | 49864 |
| 49875 | to | 49884 | 49895 | to | 49904 |
| 49915 | to | 49924 | 49935 | to | 49944 |
| 49955 | to | 49964 | 49975 | to | 49984 |
| 49995 | to | 50000 | | | |

The following Banks will carry out the redemption of the bond and the payment of interests due on December 28, 1983.

CREDIT LYONNAIS, Luxembourg
CITIBANK N.A., New York
SOCIETE GENERALE, Paris

Amount remaining in circulation after this fourth instalment—
U.S.$30,000,000.—

The Fiscal Agent
CREDIT LYONNAIS-LUXEMBOURG.

FINANCIAL TIMES

Friday December 2 1983



WALL STREET

# Telephone issues call the tune

A STEADIER course was set on Wall Street yesterday after the setback of the previous session, but attempts to move higher were undermined by continued softness in the bond market. Telephone stocks had another very active day and a recovery in IBM and the leading automotive issues helped the rest of the market, *writes Terry Byland in New York.*

In the credit markets, the Federal funds rate remained high, despite a further $2bn in customer repurchases from the Federal Reserve when the funds rate touched 9¾ per cent. Retail interest in bonds remained thin and minor price changes reflected a host of seasonal year-end factors rather than significant investment decisions.

The stock market also bucked and swayed within narrow limits. Turnover was again at a high level but included substantial activity in the telephone issues.

At the close, the Dow Jones industrial average was 0.92 down at 1,275.10.

Activity in the telephone stocks increased following disclosure of the changes made in the Standard and Poor's 500 stock index to reflect the break up of AT&T. About 40 groups of investment funds base their portfolio strategies closely on the S&P 500 index and are expected to restructure their holdings in line with the changes in index components.

Trading in both the old and new AT&T parent company stocks soared, each recording turnover above the 7m mark. This embraced block trades of 5m new at $20⅝ and another 5m old, the latter establishing a record by dollar value for a single deal on the New York Stock Exchange at $323.75m. The activity followed blocks of 6.4m and 4.7m respectively, transacted at the closing bell on Wednesday.

The new AT&T stock gained $⅛ to $20½, while the old stock – which converts early in the new year – added $⅞ to $64⅞.

The pension funds, with their investment policies overseen by federal authorities, were given clearance this week to trade in the when-issued stock of the new AT&T, a point in doubt earlier.

The new AT&T will, as expected, replace the old AT&T in the S and P 500 index, and will be joined by all seven of the new operating companies.

Among the operating AT&T companies, there were gains of $1 apiece in Ameritech at $63⅛, in Bellsouth at $88⅛ and in U.S. West at $56⅞, while $¾ gains brought Nynex to $80⅞ and Pacific Telesis to $54½.

But there were falls in United Telephone, $½ off at $22⅜, Continental Telephone, $½ off at $22¼, and in Centel, $⅝ down at $37⅛ after these stocks were ousted from the S&P index to make room for the new AT&T issues.

Also high on the list of active stocks was GTE, the largest U.S. independent telephone group, which plunged $2⅛ to $44⅛ after the resignation of its president.

A strong rally developed in motor stocks after Wall Street analysts had commented on recent criticism of the industry sales performance. Chrysler came out best, with a gain of $1½ to $28 after one leading analyst predicted that, with earnings still sheltered from taxation by previous losses, Chrysler may lift profits by 67 per cent this year. General Motors, still out of favour, could add only $⅛ to $72⅞ but Ford, which announced an expansion at one operating plant, added $1⅛ to $62⅞. Latest monthly sales figures also helped.

British Petroleum traded $¼ higher at $24½ after the results, while ICI added $½ to a new peak of $37¼.

At $29⅜, Gulf and Western gained $⅝ on its results. Borg Warner, the automotive group, slipped $⅝ to $25⅞ on the boardroom change there.

In the credit market, the key long bond at 102²⁴⁄₃₂ was ⅔₂ off in thin trading. Treasury bills showed little change with the three month bill discounted at 8.84 per cent and the six-month at 9.01 per cent.

LONDON

# BP and ICI help limit the languor

AN EVEN MORE cautious approach developed in London yesterday: lacking any new incentive and in the absence of any follow-through to the previous day's rally in government securities, blue chip industrials gave ground on further profit-taking.

The FT Industrial Ordinary index, helped to some extent by BP's satisfactory third-quarter results, closed above the worst with a fall of 5 points on the day at 741.1.

BP recovered from 410p to close 2p higher at 416p, while ICI reflected further U.S. support and ended 8p up at a peak of 628p. Beecham relinquished 8p to 320p while GEC featured friendless electrical majors with a decline of 8p at 190p.

Eagle Star rose 8p to a best-ever 690p, still hoping that Allianz will return with an increased offer.

*Details, Page 37; Share information service, Page 38–39.*

## HONG KONG

RENEWED APPREHENSION in Hong Kong over the next round of Sino-British talks, scheduled for next Wednesday and Thursday, left the stock market virtually neglected. The Hang Seng index slipped 4.12 to 848.78.

Conic Investment continued a decline, shedding 5 cents to 90 cents amid speculation that China had finalised a deal to acquire a 20 per cent stake.

## SINGAPORE

PERSISTENT selling took Singapore lower with investors growing tired of waiting for the market to move convincingly upward. The Straits Times index ended 10.92 lower at 930.18.

Cycle and Carriage was the most active stock with 1.4m shares transacted. It closed 25 cents lower at S$6.45 following a one-for-four scrip issue.

Cement shares also came in for speculative selling following reports that a new cement company, Falcon Cement, was being established. Malayan Cement dipped 15 cents to S$7.35 and Jurong Cement 8 cents to S$4.14.

## AUSTRALIA

BETTER WORLD gold and base metal prices pushed base metal stocks higher in Sydney but other resource stocks and industrials were subdued. The all ordinaries index dipped 1.2 to 743.5.

Activity in the industrial sector was again dominated by heavy turnover in Carlton and United Breweries, which is subject to a partial takeover bid from Industrial Equity.

CUB added a further 13 cents to A$3.68 on expectations of a counter-bid. CUB's 49 per cent owned subsidiary, Elders IXL, added 2 cents to A$4.20, while Industrial Equity moved up 10 cents to A$5.10.

## SOUTH AFRICA

A SUBSTANTIAL slice of Wednesday's gains among Johannesburg gold shares was removed as bullion teetered once more below $400, but brokers regarded many of the issues as having held up well under the circumstances.

Randfontein, one of the previous day's favourites, gave up R4 to R154 while Doornfontein managed a R1.25 advance at R28 on short-covering.

## CANADA

A REVERSAL of early setbacks among **Toronto** resource issues enabled the broader market to hold steady through much of the session, with base metals and oil and gas issues firm but golds still marked down in line with bullion values.

A steady **Montreal** showed little immediate buying incentive favouring any paticular sector. Banks were prone to profit-taking after recent rises accompanying a batch of better than expected results.

TOKYO

# Advance as activity accelerates

FURTHER SELECTIVE buying of incentive-backed small and medium-capital stocks underpinned continued vigour on the Tokyo stock market yesterday, with investors ignoring Wall Street's overnight steep fall, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market index added 16.36 to 9,336.60 in brisk trading. Turnover swelled to 348.96m shares from Wednesday's 239.70m. Advances outpaced declines 364 to 312, with 179 issues unchanged.

Buying interest grew in anticipation of a usual year-end rise, but investors gradually turned their attention to incentive-supported low and medium-priced stocks from high-priced light electricals which had been favoured. Of populars, issues bought by non-residents climbed.

Nachi-Fujikoshi advanced Y51 to Y480 on reports of brisk new orders for robots for motor vehicle manufacture. Mitsubishi Gas Chemical rose Y11 to Y315 and Toyo Soda gained Y3 to Y240.

The increases were attributed by Nikko Securities to increasing net purchases of the issues by foreigners. Foreign net buying of Nachi-Fujikoshi amounted to 5.75m shares in November, Mitsubishi Gas Chemical 20.80m and Toyo Soda 18.95m, accounting for 3 to 6 per cent of total issued capital.

Reflecting a firm cotton yarn market, Nisshin Spinning was Y51 higher at Y530, while strong demand for videotape recorder parts gave Tohoku Metal Industries a maximum allowable gain of Y100 to Y1,060.

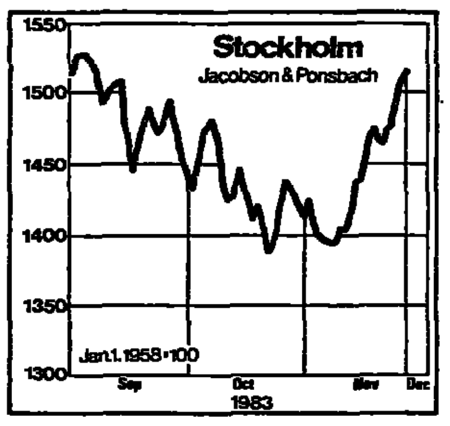
Conversely, Nippon Lace, which had been bought heavily on speculation about the issue being cornered, suffered a maximum drop of Y100 to Y750. Speculatives were also down. Godo Shusei declined Y77 to Y691, Tokyu Construction Y34 to Y453 and Aoki Construction Y40 to Y820.

Hitachi gained Y4 to Y793 on the announcement that it would develop its own computer software. Buyers shrugged off light selling by foreigners, triggered by a decline in the company's American Depository Receipts (ADRs) in New York. Fujitsu firmed Y50 to Y1,250 in sympathy.

Other blue chips were mixed. Fuji Photo Film fell Y30 to Y1,980, Matsushita Electric Industrial Y10 to Y1,830 and TDK Y100 to Y4,800. On the other hand, Sony rose Y30 to Y3,280 and Pioneer Electronic Y40 to Y3,150.

The bond market stayed firm, reflecting the previous day's bullish tone and the yen's appreciation against the dollar.

The yield on the barometer 7.5 per cent government bonds, maturing in January 1993, slipped to 7.53 per cent in the morning from Wednesday's 7.56 per cent, but bounced back to 7.55 per cent on profit-taking by some business enterprises. This reflected a shift in institutional investors' buying interest to 6.1 per cent government bonds, due in May 1988, and other low-coupon bonds.




EUROPE

# Frankfurt turns to engineering

INSTITUTIONAL buying overcame a mixed opening in **Frankfurt** yesterday, and some sectors managed again to post healthy gains following Wednesday's widespread advance.

Profit-taking in chemicals after recent healthy results saw the sector decline although a switching of funds into engineering issues produced good gains in these shares.

The Commerzbank index, calculated at midsession, echoed the uncertain tone and fell 2.4 to 1,024.2.

The recovery in engineerings was led by Linde which added DM 14 to DM 382, followed by KHD with a DM 10.50 rise to DM 246.50. Deutsche Babcock added DM 5 to DM 183, Mannesmann DM 4.10 to DM 130.90, GHH DM 4 to DM 139 and MAN DM 1 to DM 133.50.

Cement equipment maker Wibau's decision to file for bankruptcy was not unexpected. Its shares were suspended yesterday after recording a sharp DM 5 rise to DM 32 in the previous session.

Banks ended mixed despite Dresdner's increase in operating profit for the first 10 months, and a forecast of a higher dividend for 1983. Dresdner added DM 1 to DM 170 but Deutsche was 50 pfg lower at DM 319. Commerzbank also slipped 50 pfg to DM 166.

Preussag gained DM1.50 to DM 265.50 after reporting a marked improvement in domestic group profits in the first nine months.

Expectations of an end soon to the Dutch public sector strikes helped **Amsterdam** rebound from an early weakness.

Among internationals, Hoogovens rose Fl 1.10 to Fl 41.10 after opening 80 cents lower, but KLM suffered a Fl 1.20 loss to Fl 179.80.

Publisher Elsevier added Fl 3 to a 1983 high of Fl 460 while VNU put on 60 cents to Fl 116.40.

Foreign demand buoyed **Zurich** where banks and insurances continued to rise in large volume, but chemicals there too came infor profit-taking.

Brown Boveri continued to benefit from its expectations of higher cash flow this year to close SwFr 20 higher at SwFr 1,350.

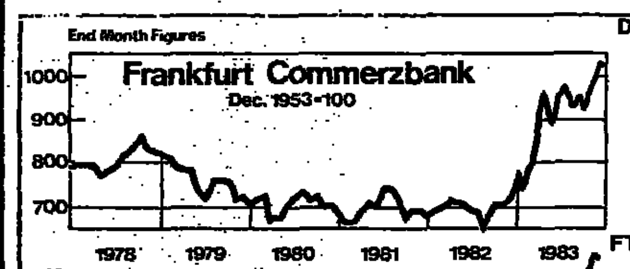
In **Stockholm**, shares were stronger and the Veckans Affarer all-share index reached a record 572.1, beating the previous high of 568.9, while the J&P index added 9.42 to 1,516.18.

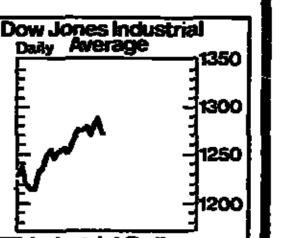
One of the largest advances was recorded by Ericsson which firmed SKr 15 to SKr 423. Scandinavian Trading Company, the financially troubl[illegible] and exploration subsidi[illegible] ended down SKr 6.50 [illegible] forecasting an upw[illegible] this year of SKr 4[illegible]

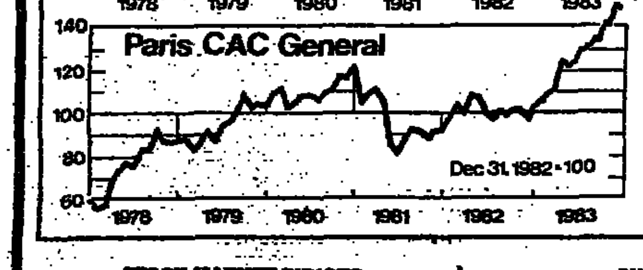
Shares ended [illegible] sels with atten[illegible] rights issues, b[illegible] **Paris**, in line [illegible] night decline [illegible] quiet trading

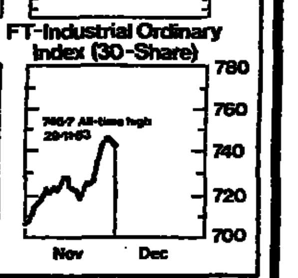
[illegible] on Page 36

KEY MARKET MONITORS




STOCK MARKET INDICES

| | Dec 1 | Previous | Year ago |
|---|---|---|---|
| **NEW YORK** | | | |
| DJ Industrials | 1275.10 | 1276.02 | 1031.09 |
| DJ Transport | 607.72 | 605.47 | 446.49 |
| DJ Utilities | 135.60 | 136.22 | 115.63 |
| S&P Composite | 166.50 | 166.39 | 138.72 |
| **LONDON** | | | |
| FT Ind Ord | 741.10 | 746.10 | 609.10 |
| FT-A All-share | 459.83 | 461.87 | 384.60 |
| FT-A 500 | 493.56 | 496.47 | 427.99 |
| FT-A Ind | 452.46 | 455.41 | 400.90 |
| FT Gold mines | 562.40 | 570.10 | 476.40 |
| FT Govt secs | 83.55 | 83.33 | 79.80 |
| **TOKYO** | | | |
| Nikkei-Dow | 9336.60 | 9320.24 | 7966.77 |
| Tokyo SE | 689.21 | 687.84 | 581.35 |
| **AUSTRALIA** | | | |
| All Ord. | 743.50 | 744.70 | 485.90 |
| Metals & Mins. | 557.60 | 552.00 | 403.30 |
| **AUSTRIA** | | | |
| Credit Aktien | 54.31 | 53.93 | 47.58 |
| **BELGIUM** | | | |
| Belgian SE | 129.17 | 128.75 | 97.10 |
| **CANADA** | | | |
| **Toronto** Composite | 2557.90 | 2540.89 | 1850.00 |
| **Montreal** Industrials | 456.83 | 452.06 | 317.34 |
| Combined | 435.12 | 430.99 | 309.50 |
| **DENMARK** | | | |
| Copenhagen SE | 195.09 | 195.09 | 89.87 |
| **FRANCE** | | | |
| CAC Gen | 148.90 | 149.40 | 101.80 |
| Ind. Tendance | 159.60 | 160.50 | 122.90 |
| **WEST GERMANY** | | | |
| FAZ-Aktien | 346.50 | 347.66 | 239.08 |
| Commerzbank | 1026.60 | 1029.00 | 722.40 |
| **HONG KONG** | | | |
| Hang Seng | 848.78 | 852.90 | 710.34 |
| **ITALY** | | | |
| Banca Comm. | 190.19 | 190.38 | 168.85 |
| **NETHERLANDS** | | | |
| ANP-CBS Gen | 145.30 | 145.80 | 98.10 |
| ANP-CBS Ind | 116.30 | 116.20 | 80.20 |
| **NORWAY** | | | |
| Oslo SE | 208.36 | 206.50 | 96.62 |
| **SINGAPORE** | | | |
| Straits Times | 930.18 | 941.10 | 728.31 |
| **SOUTH AFRICA** | | | |
| Golds | n/a | n/a | 822.10 |
| Industrials | n/a | n/a | 738.10 |
| **SPAIN** | | | |
| Madrid SE | 124.83 | 125.03 | 103.70 |
| **SWEDEN** | | | |
| J & P | 1516.18 | 1506.66 | 844.41 |
| **SWITZERLAND** | | | |
| Swiss Bank Ind | 365.70 | 366.10 | 272.00 |
| **WORLD** | Nov 30 | Prev | Yr ago |
| Capital Int'l | 182.10 | 181.80 | 148.90 |

GOLD (per ounce)

| | Dec 1 | Prev |
|---|---|---|
| London | $397.875 | $403.50 |
| Frankfurt | $399.25 | $402.625 |
| Zurich | $398.75 | $402.875 |
| Paris (fixing) | $398.15 | $405.00 |
| Luxembourg (fixing) | $397.75 | $400.00 |
| New York (Dec) | $401.20 | $403.00 |

* [illegible] latest pre-close figure; † Nov. 23

CURRENCIES

| (London) | U.S. DOLLAR Dec 1 | U.S. DOLLAR Previous | STERLING Dec 1 | STERLING Previous |
|---|---|---|---|---|
| $ | – | – | 1.4575 | 1.463 |
| DM | 2.703 | 2.7 | 3.9425 | 3.9525 |
| Yen | 232.55 | 232.55 | 339.25 | 340.5 |
| FFr | 8.2175 | 8.2075 | 11.975 | 12.005 |
| SwFr | 2.164 | 2.164 | 3.155 | 3.1675 |
| Guilder | 3.025 | 3.025 | 4.41 | 4.4275 |
| Lira | 1636.25 | 1635 | 2384.5 | 2392 |
| BFr | 54.81 | 54.82 | 79.9 | 80.2 |
| C$ | 1.23975 | 1.23875 | 1.807 | 1.8125 |

INTEREST RATES

| | Dec 1 | Prev |
|---|---|---|
| **Euro-currencies** (offered rate) | | |
| £ | 9¹¹⁄₁₆ | 9¹¹⁄₁₆ |
| SwFr | 4⅕₁₆ | 4⅛ |
| DM | 6⁵⁄₁₆ | 6¼ |
| FFr | 13¹⁄₁₆ | 13 |
| **FT London Interbank fixing** (offered rate) | | |
| 3-month U.S.$ | 9⅞ | 9⅞ |
| 6-month U.S.$ | 10¹⁄₁₆ | 10¹⁄₁₆ |
| **U.S. Fed Funds** | 9⅜ | 9⅜ |
| **U.S. 3-month CDs** | 9.45 | 9.45 |
| **U.S. 3-month T-bills** | 8.84 | 8.87 |

U.S BONDS

| Treasury | Dec 1 Price | Dec 1 Yield | Prev Price | Prev Yield |
|---|---|---|---|---|
| 10½ 1985 | 99²⁵⁄₃₂ | 10.62 | 99²⁵⁄₃₂ | 10.62 |
| 11½ 1990 | 99²⁹⁄₃₂ | 11.54 | 99²⁹⁄₃₂ | 11.54 |
| 11.75 1993 | 100²⁴⁄₃₂ | 11.60 | 100²⁷⁄₃₂ | 11.60 |
| 12 2013 | 102²⁴⁄₃₂ | 11.66 | 102²⁶⁄₃₂ | 11.66 |
| **Corporate** | | | | |
| AT & T | | | | |
| 10⅜ June 1990 | 94½* | 11.60* | 94½ | 11.60 |
| 3⅞ July 1990 | 67.810* | 10.85* | 67.810 | 10.85 |
| 8⅜ May 2000 | 76¼* | 12.10* | 76¼ | 12.10 |
| Xerox | | | | |
| 10⅜ March 1993 | 93½* | 11.80* | 93½ | 11.80 |
| Diamond Shamrock | | | | |
| 10⅜ May 1993 | 92¼* | 12.25* | 92¼ | 12.25 |
| Federated Dept Stores | | | | |
| 10⅜ May 2013 | 86⅞* | 12.35* | 86⅞ | 12.35 |
| Abbot Lab | | | | |
| 11.80 Feb 2013 | 95⅝* | 12.35* | 95⅝ | 12.35 |
| Alcoa | | | | |
| 12¼ Dec 2012 | 95½* | 12.85* | 95½ | 12.85 |

FINANCIAL FUTURES

| CHICAGO | Latest | High | Low | Prev |
|---|---|---|---|---|
| **U.S. Treasury Bonds (CBT)** 8% 32nds of 100% | | | | |
| December | 71–20 | 71–21 | 71–13 | 71–20 |
| **U.S. Treasury Bills (IMM)** $1m points of 100% | | | | |
| December | 91.08 | 91.08 | 91.05 | 91.07 |
| **Certificates of Deposit (IMM)** $1m points of 100% | | | | |
| December | 90.57 | 90.57 | 90.53 | 90.55 |
| **LONDON** | | | | |
| **Three-month Eurodollar** $1m points of 100% | | | | |
| December | 90.32 | 90.34 | 90.29 | 90.32 |
| **20-year Notional Gilt** £50,000 32nds of 100% | | | | |
| December | 110-00 | 110-10 | 109-27 | 110-08 |

COMMODITIES

| (London) | Dec. 1 | Prev |
|---|---|---|
| Silver (spot fixing) | 655.45p | 669.85p |
| Copper (cash) | £997.00 | £1005.00 |
| Coffee (Jan) | £1926.50 | £1885.50 |
| Oil (spot Arabian light) | $28.35 | $28.40 |

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

| 12 Month High | 12 Month Low | Stock | Div. | Yld. | P/ E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 17¾ | 8½ | AAR | .44 | 3.2 | 18 | 8 | 13⅝ | 13¾ | 13⅝ | -⅛ |
| 52⅛ | 29½ | ACF | 1.40 | 2.8 | 240 | 192 | 50¾ | 50½ | 50½ | -½ |
| 18⅝ | 14¼ | AMF | .50 | 3.2 | | 400 | 15⅝ | 15½ | 15⅝ | -⅛ |
| 39⅞ | 18½ | AMR Cp | | | 17 | 5161 | 37⅞ | 36⅞ | 37⅞ | +⅞ |
| 19½ | 15 | AMR | pf2.18 | 11 | | 17 | 19⅛ | 19 | 19⅛ | -⅛ |
| 40¼ | 24⅞ | AMR | pf2.13 | 5.5 | | 46 | 38¾ | 38⅛ | 38½ | -¼ |
| 16¼ | 3⅞ | APL | | | 23 | 95 | 15¼ | 15 | 15 | -⅛ |
| 55 | 31⅝ | ARA | 2.05 | 3.8 | 12 | 37 | 53½ | 52¾ | 53½ | +1 |
| 79⅞ | 50¼ | ASA | 3a | 5.3 | | 659 | 56⅞ | 55¼ | 56⅞ | +¼ |
| 33¼ | 14 | AVX | s .32 | 1.1 | 43 | 91 | 28¾ | 28 | 28¼ | +¼ |
| 53⅞ | 36⅞ | AbtLab | 1 | 2.4 | 16 | 5672 | 45 | 41 | 42 | -2⅞ |
| 30⅞ | 23¾ | AccoW | n.60 | 2.2 | 20 | 19 | 26⅞ | 26¾ | 26⅞ | |
| 27½ | 16¾ | AcmeC | .40 | 1.6 | | 17 | 25¼ | 25¼ | 25¼ | -⅛ |
| 14⅞ | 7⅞ | AcmeE | .32b | 2.7 | 588 | 24 | 11¾ | 11½ | 11¾ | |
| 24⅞ | 8¼ | AdmDg | .04 | .2 | 16 | 33 | 21 | 20¾ | 20¾ | -⅛ |
| 18⅝ | 15 | AdaEx | 1.73e | 9.4 | | 93 | 18½ | 18⅛ | 18½ | +⅛ |
| 18¼ | 7¾ | AdmMl | .24 | 1.5 | 8 | 17 | 15⅝ | 15½ | 15⅝ | -⅛ |
| 18⅞ | 8⅞ | Advest | .12 | .9 | 8 | 64 | 13½ | 12¾ | 12¾ | -⅛ |
| 35½ | 10⅞ | AMD | s | | 57 | 2525 | 34¾ | 33⅞ | 33⅞ | -⅝ |
| 24⅝ | 12⅝ | Aerflx | s | | 16 | 50 | 15⅞ | 15½ | 15½ | -¼ |
| 43½ | 32⅞ | AetnLf | 2.64 | 7.1 | 9 | 843 | 37½ | 36⅞ | 37⅛ | -¼ |
| 65 | 55¼ | AetL | pf5.09e | 8.7 | | 388 | 58½ | 58⅛ | 58½ | +⅛ |
| 40½ | 22½ | Ahmns | 1.20 | 3.9 | 8 | 683 | 31 | 30⅞ | 31 | +⅛ |
| 7⅞ | 2⅛ | Aileen | | | | 44 | 4½ | 4⅛ | 4⅛ | |



Continued on Page 35

مكتبة الأصل



# AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 36

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 30½ | 21⅛ | WiscPS | 2 32 | 8.2 | 7 | 79 | 28½ | 28 | 28⅛ | + ⅛ |
| 37 | 17¼ | Witco | s 1 32 | 3 7 | 11 | 45 | 36 | 35½ | 35½ | − ½ |
| 29⅛ | 14⅛ | WolvrW | 48 | 3 1 | 9 | 527 | 16 | 15⅝ | 15⅝ | − ⅛ |
| 43⅞ | 22 | Womet | s 44 | 1 0 | 28 | 400 | 42⅝ | 41¾ | 42⅝ | + ⅜ |
| 29½ | 18⅛ | WoodPt | .60 | 2 5 | 17 | 338 | 23⅞ | 23⅛ | 23⅞ | + ⅜ |
| 38⅝ | 22⅝ | Wolwth | 1.80 | 4 7 | 9 | 284 | 38⅝ | 38 | 38½ | + ¼ |
| 7⅛ | 2⅞ | WrldAr | | | | 2 | 5 | 5 | 5 | |
| 56¼ | 38½ | Wrigly | 1 44a | 2.7 | 11 | | 54¼ | 54 | 54 | + ⅛ |
| 24⅜ | 8½ | WyleLb | .24 | 1 0 | 196 | 246 | 23⅝ | 23½ | 23½ | |
| 17⅞ | 9 | Wyly | | | | 237 | 11½ | 11¼ | 11½ | + ⅛ |
| 22⅛ | 14 | Wynns | .60 | 3 0 | 18 | 53 | 20½ | 20⅛ | 20¼ | − ⅜ |
| | | **X-Y-Z** | | | | | | | | |
| 50 | 35 | Xerox | 3 | 6.2 | 11 | 1209 | 48¼ | 48⅛ | 48⅜ | + ¼ |
| 53⅝ | 49¼ | Xerox | pf5 45 | 11 | | 41 | 49⅝ | 49½ | 49½ | + ⅛ |
| 37 | 18⅛ | XTRA | | 1 8 | 33 | 73 | 36⅛ | 35⅛ | 35¼ | − ¼ |
| 34 | 20¼ | ZaleCp | 1.26 | 3 7 | 19 | 110 | 33⅝ | 33 | 33⅝ | + 1 |
| 21⅞ | 14⅛ | Zapata | 84 | 5 1 | 7 | 304 | 16⅝ | 16⅛ | 16⅝ | − ⅛ |
| 52¼ | 28¼ | Zayre | s .30 | 6 | 15 | 1458 | 46⅞ | 46 | 46⅞ | + ½ |
| 35⅜ | 12¾ | ZenithR | | | 41 | 1317 | 34½ | 34¼ | 34½ | − ¼ |
| 38⅜ | 22⅝ | Zero | s .48 | 1 4 | 21 | 22 | 34½ | 34⅜ | 34⅜ | + ⅛ |
| 37⅞ | 24¼ | Zurnin | 1 32 | 4 8 | 9 | 901 | 27⅝ | 26⅞ | 27⅝ | + ⅜ |

Sales figures are unofficial Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day Where a split or stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration

a–dividend also extra(s) b–annual rate of dividend plus stock dividend c–liquidating dividend. cld–called d–new yearly low. e–dividend declared or paid in preceding 12 months g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting k–dividend declared or paid this year an accumulative issue with dividends in arrears n–new issue in the past 52 weeks The high-low range begins with the start of trading nd–next day delivery P/E-price-earnings ratio r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split Dividends begins with date of split sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued ww–with warrants x–ex-dividend or ex-rights xdis–ex-distribution. xw–without warrants y–ex-dividend and sales in full yld–yield. z–sales in full

# WORLD STOCK MARKETS

## WALL STREET

# SEC scheme for instant corporate data

THE U.S. Securities and Exchange Commission is planning to start tests next year on a revolutionary electronic filing system for corporate information which will make detailed statistics almost immediately accessible to investors, *writes Terry Dodsworth in Boca Raton, Florida.*

The pilot programme is expected to run for about a year as the system is debugged, Mr John Shad, chairman of the SEC, said yesterday.

After that, the SEC is aiming to implement the new techniques to coordinate with the rapid growth in ownership of home computers from around 5m today to 50m in 1988.

"By then, it is also expected that investors will be able to enter their market orders directly on their computer terminals and receive instant confirmations," Mr Shad added.

The basis of the SEC's plan is to encourage electronic filing, according to standardised procedures, so that the dissemination and analysis of corporate information can be greatly accelerated – probably at reduced expense.

As the information is entered into the SEC data base, investors and analysts would have instant access to it on home and business computer screens. "They will be able to analyse data in minutes that would otherwise take months," said Mr Shad.

With the growth of the data base it is anticipated that software will be developed to run off rapid basic analysis and key comparisons. It would be possible, for example, to get up to date indications of how the stock market was rating different companies against their book values, or where yields stood across a particular sector.

All of this would help investors run their portfolios more efficiently at a time when it will be technically possible to maintain up to date totals of portfolio values, dividends and capital gains.

In addition, the SEC believes that the electronic system would speed up its own screening ability of company filings, while rapidly identifying those groups which required detailed review.

# AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

## CANADA

## DENMARK

## NETHERLANDS

## AUSTRALIA

## JAPAN (continued)

## FRANCE

## NORWAY

## SPAIN

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## GERMANY

## SWEDEN

## SINGAPORE

## AUSTRIA

## JAPAN

## SOUTH AFRICA

## SWITZERLAND

## BELGIUM/LUXEMBOURG

## ITALY

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

## COMPANY NOTICES




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# Indices

## NEW YORK

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

plus 40 Utilities, 40 Financials and 20 Transports, c-Closed, u Unavailable.

# LONDON STOCK EXCHANGE

## MARKET REPORT

# More profit-taking in equities after recent strength

# Index down 5 at 741.1—Gilts mixed

**Account Dealing Dates**

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Nov 14 | Nov 24 | Nov 25 | Dec 5 |
| Nov 28 | Dec 8 | Dec 9 | Dec 19 |
| Dec 12 | Dec 22 | Dec 29 | Jan 9 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

Equity investors adopted an even more cautious approach after Wednesday's pause in the earlier record-breaking performance. Lacking any new incentive and in the absence of any follow-through to the previous day's rally in Government Securities, blue chip industrials gave ground on further profit-taking. The undertone remained firm, however, with numerous features emerging among secondary issues.

Leading shares were marked lower at the outset, partly in sympathy with Wall Street's overnight decline. Light selling ensued but was sufficient to produce a fall of 5.5 in the Financial Times Industrial Ordinary share index at the noon calculation. This proved to be the day's lowest, prices later moving narrowly in quiet and thin trading. Helped to some extent by BP's satisfactory third-quarter results, the index rallied slightly to close above the worst with a fall of 5 points on the day at 741.1.

Sentiment yesterday was also undermined by a leading broking firm's economic analysis which, as with other such recent prognostications, painted a more pessimistic picture than the Treasury's concerning the course of the recovery next year.

Of the index constituents, BP recovered from 410p to close 2 dearer on balance at 416p after the statement, while ICI reflected further U.S. support and ended 8 up at a peak of 628p. Beecham relinquished 8 to 320p after comment on the interim figures, while GEC featured friendless Electrical majors with a decline of 8 at 190p.

Elsewhere, Eagle Star were prominent again, rising 8 to a best-ever level of 690p, still on hopes that Allianz will return with an increased offer; meanwhile, BAT Industries' shareholders yesterday gave approval of the Board's £913m bid.

### Royal Bank at peak

Renewed weakness in sterling and a reaction overnight in the U.S. bond market inhibited interest in the gilt-edged market. Conventional issues were undecided as to what direction to take and longer-dated stocks opened and closed around ¼ easier, while shorter-dated maturities ended narrowly mixed. Index-linked gilts, on the other, gained ground with Treasury 3½ per cent IL 2011 putting on ⅛ to £102.

Barclays provided the only significant movement among the major clearing banks, rising 10 to 485p. Royal Bank of Scotland gained 8 to a high for the year of 158p following the impressive preliminary results with Bank of Scotland rising 13 to a 1983 peak of 635p in sympathy. Elsewhere in the banking sector, Hill Samuel shed 7 to 308p on profit-taking, while recently firm Standard and Chartered gave up 13 to 465p.

Insurances, easier initially, perked up to close virtually unchanged. Among Lloyds brokers, newsletter comment stimulated revived interest in Hogg Robinson, which put on 5 to 134p.

Aspinall Holdings remained sensitive to small offerings and shed 5 for a three-day fall of 16 to 145p; the offer-for-sale price was 115p.

The continued reluctance of institutions to commit funds to the sector made for another lacklustre session among Breweries which closed a shade easier for choice. Allied-Lyons again encountered profit-taking in the wake of the interim statement and gave up a couple of pence to 148p, although Grand Metropolitan rallied from an earlier 330p to end only a penny cheaper on balance at 332p. Belhaven, already a shade firmer on further consideration of the first-half figures, attracted late support and finished a net 4 dearer at 33p on the announcement that the Virani Group has increased its holding to 22.74 per cent. Trading news failed to stimulate demand for other regionals, however, with Davenports, which successfully fought off a bid from Wolverhampton and Dudley earlier in the year, holding at 285p after revealing the expected upturn in preliminary profits and dividend.

Leading Buildings encountered another reasonable business. Hopes of higher cement prices encouraged fresh support for Blue Circle, which put on 3 more to 440p, and stimulated revived interest in Rugby Portland Cement, which gained 2½ to 105½p. BPB Industries, at 265p, regained 10 of the previous day's fall of 15 on second thoughts about the annual results. Elsewhere, SGB firmed 6 to 130p after favourable comment, while Newarthill revived with a gain of 15 at 505p and McCarthy and Stone firmed the same amount to a high for the year of 370p. Derek Crouch attracted further speculative interest on vague bid rumours and put on 3 more to 70p. Smaller-priced issues to attract support included Stanley Miller, 1½ better at 20p, and Ben Bailey, a penny firmer at 30p. On the other hand, Burnett and Hallamshire remained a friendless market and shed 5 to a low for the year of 145p.

ICI pushed ahead by 8 to a 1983 peak of 628p on U.S. influences. Amersham International, however, shed 5 to a low for the year of 212p in the absence of support.

### Habitat disappoint

Habitat Mothercare disappointed in revealing interim profits below most market estimates and dipped to 272p before settling for a net loss of 10 at 276p; the 9½ per cent Convertible shed 3 points to £194. The announcement, released at the outset of trading, stifled interest in other leading Stores which showed modest falls across the board. British Home, 227p, Woolworth, 315p, and House of Fraser, 220p, all shed around 4.

In contrast, special situations provided some noteworthy movements in secondary Stores. Amber Day rose to 14½p before closing 2½ up on balance at 13p on reflection of the announcement, made late on Wednesday, of the proposed disposal of the company's 84.1 per cent holding in Lawncast to the latter's management for £2.25m. D-I-Y concern A. G. Stanley which recently returned from suspension following the break-down of merger talks with Jacoa, rose 3 to 44p amid rising speculation of another party waiting in the wings. Marks and Spencer supplier S. R. Gent advanced 6 to 198p and Executex Clothes 2 to 40p on talk of an investment recommendation. Ladies Pride responded to revived speculative interest and firmed 2½ to 41p, but profit-taking clipped 25 from "shell" situation Kraft Productions, 125p.

Cable and Wireless became unsettled awaiting details of the Government's tender offer and amid some nervousness fell 12 to 288p. GEC were vulnerable to professional book-squaring and dipped 8 to 190p, but other Electrical leaders ended only marginally easier. Feedback slumped 35 to 262p on the warning of a slowdown in profits growth, while UEI reacted 6 more to a low for the year of 150p. On a brighter note, Crystalate continued to attract support following the company's success in acquiring Royal Worcester and gained 5 to 184p; RW moved up 9 to 377p. Sound Diffusion responded further to a broker's recommendation, rising 4 to a 1984 peak of 142p, while Micro Business Systems, which has ascquired Alveronic Computer Systems for £3.6m, improved 5 to 260p. Air Call were quoted ex-rights at 408p, up 21, with the new nil-paid shares at 60p premium, after 45p premium.

Engineerings atrncted slightly more trade with 600 Group 3½ higher at 62p on expectations of a marked recovery taking place next year. United Wire spurted 15 to 82p on yield attractions following the maintained dividend, while Castings improved 3 to 48p after the interim figures. A newsletter recommendation lifted Meggit 5 more to 102p.

Interest in leading Food Retailers receded and quotations tended to drift lower. Associated Dairies softened a couple of pence to 152p, as did Tesco, to 168p, but Dee Corporation responded to the excellent interim profits and the Board's confident statement by rising 6 to a high for the year of 362p. Elsewhere, profit-taking left its mark on recently firm S. and W. Berisford which shed 5 to 199p, while United Biscuits came on offer and closed 7 down at 129p, only a shade above the 1983 low. Profit-taking in the wake of the good interim figures clipped 3 from Freshbake, 77p.

### Beecham slip back

Thoughts that comment on Beecham's interim results might have been more favourable failed to prevent a fresh fall in the shares of 8 to 320p. Many other miscellaneous leaders drifted lower, including Glaxo, 15 down at 770p, but Bowater continued the recent advance to close a couple of pence better at 239p. Demand in front of Wednesday's mid-term statement lifted Pilkington 7 to 255p, while Reed recovered 6 to 370p. Elsewhere, revived speculative interest took Bridgend Processes up 7 to 44p and BB & EA closed similarly dearer at 112p ahead of Thursday's first-half results. Lower profits, however, brought Hargreaves back 6 to 78p and Pauls and Whites down 8 to 257p.

Announcement of the technical support and know-how agreement with Metal Box supported Polly Peck and associates; PP, which announces preliminary results today, rose 1½ points to £25½, Cornell moved up 15 to 233p and Wearwell 6 to 84p. Investment recommendations drew support for Gestetner A, 4 dearer at 59p, and Crest Nicholson, which put on the same amount to 89p. E. Fogarty revived with a rise of 5 to 69p, but scattered profit-taking lowered Wolverhampton Steam 8 to 120p.

Among Leisure issues, scattered selling in an unwilling market left Management Agency and Music 8 lower at 100p, while lack of support in the wake of the preliminary figures caused Samuelson to relinquish same amount to 360p. 3-D camera concern Nimslo International slipped to a 1983 low of 26p before closing a net 3 off at 27p, while Intervision Video shed 2 to 22p. On a firmer note, Trident TV A hardened 2 to a 1983 peak of 127p, while Saga Holidays, a dull market recently on package holiday price-war fears, rallied 4 to 107p.

A couple of firm spots emerged among Paper/Printings. Associated Paper rose 5 at 99p, while McCorquodale added 7 at 270p, after 273p; both are due to announce preliminary results during the next Account.

Steady to firm conditions persisted in Properties although business contracted. Further consideration of the perliminary results left MEPC 2 dearer at 261p, while the chairman's comments on U.S. expansion plans helped British Land to harden a penny to 95p. Peachey gained the turn to a 1983 peak of 187p.

Financials were irregular. Mills and Allen responded to steady support and advanced 25 to 365p, but Mercantile House, 385p, and Exco International, 595p, shed 10 apiece. Adverse Press comment clipped 4 from Smith Bros, 77p, while fellow stockjobbers Akroyd and Smithers remained friendless and gave up 20 more to 455p. Demand in a narrow market lifted Yule Catto 15 to 190p.

Established Oils reduced early losses, while speculative exploration issues forged further ahead. Shell rallied from 556p to close 4 down on balance at 560p and Ultramar settled 8 lower at 617p, after 610p. Eglinton led Irish Sea contenders with a fresh rise of 35 to 290p and Aran Energy gained 3 to 64p, but Atlantic Resources ended only 10 better at 705p. Jackson Exploration jumped 11 to 87p, while Pict Petroleum, which has an interest in a North Sea block neighbouring Amoco 21/20A, gained 7 to 82p. Awaiting news of yesterday's annaul meeting, Floyd rose 7 to 72p and, on news of the Irish £31m, anthracite sales, Flair Resources moved up 5 more to 125p.

### Golds easier

Mining markets turned quieter and gave ground as precious and base metal prices eased back after the substantial gains of the previous few days.

Bullion hovered around $400 an ounce throughout the day prior to closing a net $5.626 off at $397.875.

The South African gold sharemarket opened lower and drifted in subdued trading before staging a rally around midday. Prices, however, fell afresh to close with widespread falls and the Gold Mines index lost 7.7 at 562.4.

Leading heavyweights showed falls ranging to around a point, as in Randfontein, £89¼, Driefontein, £21½, Vaal Reefs, £72¼, and Free State Geduld, £25, although Winkelhaak moved against the trend and posted a full point gain at £29½.

Financials were mixed. In South Africans, Gold Fields of South Africa declined ½ to £13¾ and "Johnnies" a point to £77 but persistent Johannesburg support lifted Rand London 3 to 20p. Minorco remained a firm market and moved up 12 more to 695p.

Charter staged a rally in London Financials and advanced 10 to 217p reflecting bear-covering and "cheap" buying. The downturn in copper prices on the London Metal Exchange encouraged profit-taking in Rio Tinto-Zinc, which gave up 12 to 598p.

Australians were usually quietly easier but Gold Mines of Kalgoorlie featured with a leap of 48 to 668p on aggressive demand in overnight Sydney and Melbourne markets which was followed through in London. Central Norseman were also strong, posting a gain of 20 to 453p.

The new month opened on a steady note in the Trade Options market where 2,456 contracts were struck—1,510 calls and 946 puts. American support for the underlying stock stimulated demand for ICI positions which attracted 464 calls, 295 of which were traded in the January 600's, 6 dearer at 34p.

## FINANCIAL TIMES STOCK INDICES

| | Dec. 1 | Nov. 30 | Nov. 29 | Nov. 28 | Nov. 25 | Nov. 24 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 83.38 | 83.35 | 82.98 | 83.02 | 82.96 | 83.10 | 79.80 |
| Fixed Interest | 86.18 | 86.20 | 86.00 | 86.00 | 86.04 | 86.01 | 82.11 |
| Industrial Ord. | 741.1 | 746.1 | 746.7 | 743.9 | 736.5 | 726.8 | 609.1 |
| Gold Mines | 562.4 | 570.1 | 545.0 | 557.1 | 504.6 | 501.2 | 476.4 |
| Ord. Div. Yield | 4.68 | 4.65 | †4.65 | †4.66 | †4.70 | †4.75 | 4.85 |
| Earnings, Yld.% (full) | 9.64 | 9.56 | 9.48 | 9.49 | 9.58 | 9.68 | 10.41 |
| P/E Ratio (net) (*) | 12.66 | 12.75 | 12.88 | 12.86 | 12.74 | 12.61 | 11.52 |
| Total bargains | 19,825 | 20,760 | 20,488 | 21,732 | 20,178 | 19,603 | 22,239 |
| Equity turnover £m. | — | 229.00 | 216.50 | 237.70 | 306.78 | 264.37 | 222.24 |
| Equity bargains | — | 17,751 | 17,239 | 16,861 | 20,093 | 17,595 | 19,957 |
| Shares traded (ml) | — | 139.6 | 134.4 | 131.8 | 181.0 | 163.2 | 173.5 |

10 am 740.9. 11 am 741.3. Noon 740.6. 1 pm 740.8. 2 pm 740.9. 3 pm 741.6.

Basis 100 Govt. Secs. 18/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil=11.90.

† Correction.

### HIGHS AND LOWS

| | 1983 High | 1983 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 83.70 (11/11) | 77.00 (24/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 86.20 (30/11) | 79.03 (1/2) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 746.7 (29/11) | 598.4 (12/1) | 746.7 (29/11/83) | 49.4 (26/6/40) |
| Gold Mines | 734.7 (15/2) | 444.5 (1/11) | 734.7 (15/2/83) | 43.5 (26/10/71) |

### S.E. ACTIVITY

| | Nov. 30 | Nov. 29 |
|---|---|---|
| —Daily | | |
| Gilt Edged Bargains | 172.7 | 145.1 |
| Equities Bargains | 115.0 | 111.7 |
| Value | 462.9 | 437.6 |
| 5-day Avrge | | |
| Gilt-Edged Bargains | 159.9 | 157.4 |
| Equities Bargains | 116.0 | 113.4 |
| Value | 507.1 | 540.2 |

## NEW HIGHS AND LOWS FOR 1983

**BRITISH FUNDS (4)**
Funding 5½pc '82-84; Treasury 3pc 1985; Treasry 8½pc '84-'86; Exch. 2½pc 1986

**LOANS (1)**
Inv. in Ind. 9pcA '91-94

**AMERICANS (9)**
Campbell Soup; Gen. Foods Cpn.; Colt Inds.; Quaker Oats; Cons. Food; Rohr Inds. Inc.; Crown Zellerbach; TRW Inc.; United Tech.

**CANADIANS (1)**
Seagram

**BANKS (2)**
Bank of Scotland; Royal Bk. of Scotland

**BUILDINGS (2)**
Blonkleys; McCarthy & Stone

**CHEMICALS (3)**
BASF AG; Bayer AG; ICI

**STORES (2)**
Hepworth (J.); Time Prods.

**ELECTRICALS (7)**
Armstrad; Mernac; ASEA AB A; Sound Diffusion; ASEA AB B; Webber Electro Comps; Goring Kerr

**ENGINEERING (6)**
Carclo Engng.; Meggitt; Castings; Spear & Jackson Intl.; Crown House; Telfos

**FOODS (1)**
Dee Corpn.

**INDUSTRIALS (16)**
Bibby (J.); Harvey & Thompson; Bridport-Gundry; Hoover A; BB and EA; Intereurope Tech Serv; Caparo 8¼pcCnvPrf.; Marling Ind.; Dyson (J. & J.); Pentland; Do. A; Renwick; Emhart Corp.; Royal Worcs.; Fogarty Defd.; Sterling Inds.

**INSURANCES (3)**
Allianz Vers.; Ennia UK 9pcConv.; Eagle Star; Ennia UK 9pcConv.

**LEISURE (1)**
Trident TV A

**MOTORS (1)**
Honda Motor

**NEWSPAPERS (1)**
Independent

**PAPER (5)**
Assoc. Paper; Clondalkin; British Printing; G.B. Papers; Bunzl

**PROPERTY (4)**
Bearer (C. H.); Peachey; Lon. Shop Propy. 9pcCnv. '94-99; Sterl. Guarantee 7pc Cnv.Cum.Prf.

**SHIPPING (1)**
British and Comm.

**TEXTILES (4)**
Coats Patons; Shaw Carpets; Dawson Intnl.; Tootal

**TRUSTS (16)**
Ambrose Inv. Cap.; Fleming Overseas; Baillie Gifford Japan; Foreinvest Cap.; Caledonia Invs.; G.T. Japan; Channel Islands Cap.; Muldrum Inv.; Drayton Japan; Mid Wynd Inv.; Fleming Amer. 7pc Cnv.Nns.Ln. '99; Murray Caledonian; Duncan (W.) & Goodricke; Fleming Enterprise; Fleming Far Eastern; Yule Catto

**OILS (2)**
Bula Res.; Weeks (Bermuda)

**PLANTATIONS (1)**
Anglo-Indonesian

**NEW LOWS (14)**

**BUILDINGS (1)**
Burnett & Hallamshire

**CHEMICALS (1)**
Amersham Int.

**ELECTRICALS (2)**
Eurotherm Int.; U.E.I.

**FOODS (1)**
Alpine Soft Drinks

**INDUSTRIALS (1)**
Moben

**LEISURE (2)**
Mngmt. Ag & Music; Nimslo Int.

**NEWSPAPERS (1)**
Metal Bulletin

**PROPERTY (1)**
Phoenix Prop. & Fin.

**SHIPPING (1)**
Lyle Shipping

**TRUSTS (1)**
Bonusbond

**OILS (1)**
Am. Oil Fields

**MINES (1)**
Meekatharra

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 24 | 32 | 47 |
| Corpns. Dom. & Foreign Bonds | 12 | 3 | 61 |
| Industrials | 230 | 280 | 885 |
| Financial & Props. | 78 | 106 | 338 |
| Oils | 28 | 25 | 63 |
| Plantations | 2 | 6 | 12 |
| Mines | 30 | 69 | 67 |
| Others | 53 | 59 | 64 |
| Totals | 457 | 580 | 1,537 |

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Thur Dec 1 1983 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Wed Nov 30 Index No. | Tues Nov 29 Index No. | Mon Nov 28 Index No. | Fri Nov 25 Index No. | Year ago (approx) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (208) | 454.42 | −1.0 | 9.22 | 3.88 | 13.97 | 459.80 | 454.87 | 454.61 | 450.74 | 432.26 |
| 2 | Building Materials (24) | 446.20 | +0.5 | 10.70 | 4.60 | 11.76 | 443.85 | 443.10 | 442.32 | 441.34 | 399.38 |
| 3 | Contracting, Construction (29) | 676.94 | — | 13.89 | 5.38 | 8.99 | 677.17 | 673.71 | 673.42 | 670.29 | 723.49 |
| 4 | Electricals (38) | 1637.88 | −2.1 | 8.16 | 2.31 | 15.95 | 1673.85 | 1648.81 | 1655.60 | 1636.83 | 1788.26 |
| 5 | Engineering Contractors (10) | 421.58 | −0.3 | 13.94 | 6.59 | 9.18 | 422.71 | 420.34 | 418.66 | 417.98 | 471.81 |
| 6 | Mechanical Engineering (59) | 200.82 | −0.1 | 11.98 | 5.59 | 10.38 | 201.00 | 199.39 | 197.38 | 196.13 | 199.43 |
| 8 | Metals and Metal Forming (9) | 166.51 | −1.3 | 11.21 | 7.04 | 10.85 | 168.68 | 165.66 | 164.78 | 162.93 | 145.45 |
| 9 | Motors (18) | 119.41 | −0.6 | 1.59 | 4.53 | — | 120.14 | 119.43 | 117.77 | 116.29 | 76.78 |
| 10 | Other Industrial Materials (16) | 554.14 | −0.7 | 5.64 | 4.04 | 23.53 | 558.13 | 558.86 | 557.89 | 552.81 | 364.88 |
| 21 | CONSUMER GROUP (198) | 454.26 | −0.6 | 10.50 | 4.38 | 11.66 | 456.83 | 457.52 | 455.86 | 451.62 | 409.98 |
| 22 | Brewers and Distillers (23) | 452.86 | −0.2 | 12.70 | 5.11 | 9.82 | 452.94 | 454.76 | 452.09 | 449.46 | 428.16 |
| 25 | Food Manufacturing (22) | 359.43 | −0.9 | 12.88 | 5.63 | 9.05 | 362.73 | 361.65 | 359.39 | 356.76 | 330.45 |
| 26 | Food Retailing (13) | 1058.79 | −0.4 | 7.59 | 2.65 | 16.90 | 1063.29 | 1056.53 | 1048.22 | 1042.87 | 876.62 |
| 27 | Health and Household Products (9) | 747.89 | −1.8 | 6.32 | 2.94 | 18.60 | 760.71 | 756.11 | 761.75 | 745.21 | 719.39 |
| 29 | Leisure (23) | 587.12 | −0.2 | 8.66 | 4.63 | 14.91 | 588.26 | 588.16 | 587.58 | 585.17 | 461.83 |
| 32 | Newspapers, Publishing (13) | 992.85 | +0.8 | 8.75 | 4.80 | 13.72 | 985.20 | 977.28 | 973.82 | 968.57 | 579.40 |
| 33 | Packaging and Paper (14) | 210.13 | +1.5 | 11.40 | 4.78 | 10.82 | 207.00 | 207.65 | 208.34 | 206.58 | 145.58 |
| 34 | Stores (47) | 417.37 | −0.9 | 8.37 | 3.71 | 16.23 | 421.15 | 424.89 | 422.52 | 418.37 | 391.07 |
| 35 | Textiles (20) | 242.43 | +0.2 | 12.42 | 4.90 | 9.32 | 241.65 | 243.87 | 235.30 | 233.56 | 171.93 |
| 36 | Tobaccos (3) | 458.25 | +0.8 | 21.75 | 6.98 | 5.15 | 454.46 | 459.83 | 459.22 | 456.44 | 466.78 |
| 39 | Other Consumer (9) | 446.66 | — | 5.97 | 4.68 | — | 446.78 | 446.68 | 447.38 | 444.86 | 334.50 |
| 41 | OTHER GROUPS (84) | 409.52 | −0.2 | 8.09 | 4.24 | 15.55 | 410.46 | 409.01 | 408.99 | 405.88 | 286.48 |
| 42 | Chemicals (15) | 594.24 | +0.6 | 7.61 | 4.27 | 17.21 | 590.82 | 586.54 | 586.58 | 585.18 | 383.25 |
| 44 | Office Equipment (6) | 111.50 | −0.4 | 8.63 | 4.61 | 14.44 | 111.99 | 113.91 | 114.66 | 113.39 | 88.65 |
| 45 | Shipping and Transport (14) | 794.15 | +1.1 | 7.99 | 5.11 | 16.90 | 785.38 | 785.06 | 788.78 | 779.97 | 525.78 |
| 46 | Miscellaneous (49) | 528.72 | −1.3 | 8.52 | 3.98 | 14.11 | 535.52 | 533.98 | 532.92 | 526.88 | 397.34 |
| 49 | INDUSTRIAL GROUP (485) | 452.46 | −0.6 | 9.70 | 4.20 | 12.85 | 455.40 | 454.28 | 453.26 | 449.28 | 400.90 |
| 51 | Oils (15) | 943.55 | −0.3 | 11.93 | 6.32 | 10.18 | 946.04 | 951.65 | 954.20 | 942.51 | 727.79 |
| 59 | 500 SHARE INDEX | 493.56 | −0.6 | 10.07 | 4.54 | 12.33 | 496.47 | 495.84 | 495.20 | 490.57 | 427.99 |
| 61 | FINANCIAL GROUP (120) | 357.40 | +0.2 | — | 5.39 | — | 356.84 | 356.16 | 357.01 | 353.95 | 266.09 |
| 62 | Banks (6) | 369.78 | +1.3 | 23.22 | 6.90 | 4.70 | 365.08 | 364.21 | 367.25 | 366.03 | 282.61 |
| 63 | Discount Houses (8) | 334.09 | — | — | 8.16 | — | 334.09 | 333.22 | 333.22 | 333.96 | 283.76 |
| 65 | Insurance (Life) (9) | 481.92 | −0.4 | — | 4.67 | — | 483.71 | 482.75 | 486.17 | 480.91 | 356.71 |
| 66 | Insurance (Composite) (10) | 246.22 | +0.1 | — | 6.24 | — | 246.04 | 247.17 | 247.82 | 245.08 | 174.78 |
| 67 | Insurance Brokers (7) | 611.87 | +0.5 | 11.18 | 4.76 | 12.24 | 608.84 | 604.56 | 605.97 | 597.48 | 464.63 |
| 68 | Merchant Banks (12) | 218.40 | −1.0 | — | 4.22 | — | 220.56 | 217.97 | 213.91 | 213.25 | 152.79 |
| 69 | Property (54) | 516.73 | +0.2 | 5.80 | 3.72 | 23.05 | 515.51 | 515.38 | 515.79 | 509.53 | 398.52 |
| 70 | Other Financial (18) | 254.26 | −1.4 | 10.82 | 5.33 | 11.14 | 257.75 | 254.08 | 253.53 | 252.10 | 181.38 |
| 71 | Investment Trusts (108) | 457.35 | −0.3 | — | 3.89 | — | 458.77 | 456.07 | 456.77 | 455.27 | 344.25 |
| 81 | Mining Finance (4) | 285.23 | −1.9 | 9.25 | 5.11 | 13.27 | 290.83 | 283.98 | 289.11 | 279.64 | 223.43 |
| 91 | Overseas Traders (14) | 483.66 | +0.2 | 7.63 | 7.88 | 19.14 | 482.88 | 479.77 | 478.53 | 477.17 | 380.68 |
| 99 | ALL-SHARE INDEX (750) | 459.83 | −0.4 | — | 4.70 | — | 461.87 | 460.89 | 460.92 | 456.63 | 384.68 |

### FIXED INTEREST

| | PRICE INDICES | Thur Dec 1 | Day's change % | Wed Nov 30 | xd adj. today | xd adj. 1983 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 117.99 | +0.01 | 117.98 | — | 10.49 |
| 2 | 5-15 years | 133.65 | −0.04 | 133.69 | — | 12.04 |
| 3 | Over 15 years | 143.79 | −0.07 | 143.90 | — | 12.54 |
| 4 | Irredeemables | 151.92 | +0.05 | 152.10 | 0.23 | 13.57 |
| 5 | All Stocks | 131.53 | −0.03 | 131.57 | 0.00 | 11.68 |
| 6 | Debentures and Loans | 102.72 | +0.11 | 107.60 | — | 10.53 |
| 7 | Preference | 80.37 | — | 80.37 | — | 6.50 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Thur Dec 1 | Wed Nov 30 | Year ago (approx) |
|---|---|---|---|---|---|
| | British Government | | | | |
| 1 | Low | 5 years | 9.43 | 9.52 | 8.77 |
| 2 | Coupons | 15 years | 9.81 | 9.76 | 10.25 |
| 3 | | 25 years | 9.63 | 9.66 | 10.48 |
| 4 | Medium | 5 years | 10.89 | 10.86 | 11.32 |
| 5 | Coupons | 15 years | 10.55 | 10.53 | 11.46 |
| 6 | | 25 years | 10.01 | 10.00 | 11.81 |
| 7 | High | 5 years | 10.99 | 10.97 | 11.33 |
| 8 | Coupons | 15 years | 10.70 | 10.70 | 11.64 |
| 9 | | 25 years | 10.12 | 10.12 | 11.18 |
| 10 | Irredeemables † | | 9.65 | 9.65 | 10.54 |
| 11 | Debs & Loans | 5 years | 11.52 | 11.53 | 12.26 |
| 12 | | 15 years | 11.49 | 11.51 | 12.29 |
| 13 | | 25 years | 11.49 | 11.51 | 12.32 |
| 14 | Preference † | | 12.24 | 12.24 | 12.85 |

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

CONSTITUENT CHANGES: Moorside Trust (71) has been deleted and replaced by F & C Enterprise Trust (71).

NAME CHANGE: Lawrie Plantation Hldgs is now Lawrie Group.

## EUROPEAN OPTIONS EXCHANGE

| Series | Feb. Vol. | Feb. Last | May Vol. | May Last | Aug. Vol. | Aug. Last | Stock |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

TOTAL VOLUME IN CONTRACTS: 12,623

A=Ask B=Bid C=Call P=Put

## RECENT ISSUES

### EQUITIES

| Issue price | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price | +or– | Net div. | Times covered | Gross yield | P/E ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price £ | +or– |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### "RIGHTS" OFFERS

| Issue price p | Amount paid up | Latest Renunc. date | 1983 High | 1983 Low | Stock | Closing price p | +or– |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible] based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3). ✠ Unlisted Securities Market. *Comprising of 10 New ordinary plus 1 Series B Warrant.

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Nov 21 | Dec 2 | Feb 23 | Mar 5 |
| Dec 5 | Dec 16 | Mar 8 | Mar 19 |
| Dec 19 | Jan 6 | Mar 22 | Apr 2 |

*For rate indications see end of Share Information Service*

Options were arranged in Chubb, Security Centres, Charterhall, Premier Oil, Rand London, B. Elliott, Gestetner A, Atlantic Resources, Eglington, Rank Organisation, Brunswick Oil, Charter Consolidated, Southwest Resources, Combined Technologies and Burmah Oil. No puts were done, although doubles were taken out in Brockhouse, Rank Organisation, Racal and Rotaprint.

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change |
|---|---|---|
| Amber Day | 13 | + 2½ |
| Bridgend Processes | 44 | + 7 |
| BP | 416 | + 2 |
| Cable and Wireless | 288 | −12 |
| Charter Cons | 217 | +10 |
| Eagle Star | 690 | + 8 |
| Eglinton Oil and Gas | 290 | +35 |
| GEC | 190 | − 8 |
| ICI | 628 | + 8 |
| Mills and Allen | 365 | +25 |
| 600 Group | 62 | + 3½ |
| United Biscuits | 129 | − 7 |

## WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

| Stock | No. of changes | Wed. close | Day's change |
|---|---|---|---|
| Beecham | 16 | 328 | − 4 |
| Hampson Inds | 16 | 20½ | + 1½ |
| Cns Gld Fields | 14 | 522 | +15 |
| Eagle Star | 14 | 682 | + 6 |
| Charter Cons | 13 | 207 | − 3 |
| Sound Diffusion | 13 | 138 | + 9 |
| Celtic Haven | 11 | 41 | − 2½ |
| Chubb | 11 | 152 | + 6 |
| Fleet Holdings | 11 | 116 | + 3½ |
| Glaxo | 11 | 785 | +15 |
| ICL | 11 | 58 | − 4 |
| Metal Box | 11 | 286 | − 6 |
| RTZ | 11 | 610 | +13 |
| Grand Met | 10 | 333 | − 2 |

## LONDON TRADED OPTIONS

| Option | Calls Jan. | Calls Apr. | Calls July | Puts Jan. | Puts Apr. | Puts July |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Option | Calls Feb. | Calls May | Calls Aug. | Puts Feb. | Puts May | Puts Aug. |
|---|---|---|---|---|---|---|
| Imperial Group (*154) | | | | | | |
| 110 | 27 | 28 | — | 0¾ | 2 | — |
| 120 | 18 | 20 | — | 1½ | 3½ | — |
| 130 | 9½ | 11½ | 14 | 4½ | 7 | 8 |
| 140 | 4 | 6½ | 9 | 9 | 12 | 14 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Dec. 1. Total Contracts 2,456. Calls 1,510. Puts 946

* Underlying security price.

# FT LONDON SHARE INFORMATION SERVICE

## BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

| 1983 High | Low | Stock | Price £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 99½ | 96¼ | Funding 5½pc '82-84‡‡ | 99½ | +⅛ | 5.52 | 9.30 |
| 101¼ | 99½ | Exch 11¼pc 1984 | 100 | – | 11.21 | 9.07 |
| 104⅝ | 100½ | Exchequer 14pc 1984 | 102 | – | 13.71 | 9.36 |
| 97 | 92½ | Exch. 3pc 1984 | 97xd | + | 3.09 | 8.62 |
| 102 | 100 | Treasury 12pc 1984 | 101 | – | 11.77 | 9.36 |
| 107 | 104 | Treasury 15pc 1985 | 105 | – | 14.23 | 10.13 |
| 107 | 101 | Exch. 12pc Cnv. '85 | 102 | | 11.71 | 9.92 |
| 94 | 88⅝ | Treasury 3pc 1985 | 94 | + | 3.19 | 7.38 |
| 102½ | 99⅝ | Treasury 11½pc 1985 | 101 | | 11.29 | 10.28 |
| 102 | 95 | Treas 8¼pcCnv '85 | 98⅛ | | 8.91 | 9.89 |
| 103⅛ | 100 | Exch. 12¼pc 1985 | 103⅞ | – | 11.85 | 10.29 |
| 102⅞ | 99 | Exch. 11¼pc '86 | 102 | – | 11.47 | 10.44 |
| 102¼ | 97⅛ | Treas 10pc Cnv 1986 | 101 | – | 9.81 | 9.06 |
| 88 | 85⅝ | Treasury 3pc 1986 | 88⅝ | + | 3.38 | 8.20 |
| 101 | 97 | Exch 10½pc Cv '86 | 100 | – | 10.40 | 10.06 |
| 103 | 100 | Treasury 12pc '86 | 103xd | –⅛ | 11.65 | 10.62 |
| 97⅛ | 94⅞ | Treasury 8½pc '84-86‡‡ | 97⅛ | +⅛ | 8.75 | 9.76 |
| 114 | 103¼ | Treas. 12¼pc '86 Cnv | 110 | –¼ | 11.13 | 7.92 |
| 109 | 105 | Exch. 14pc 1986 | 107 | – | 12.98 | 10.77 |
| 84⅝ | 84½ | Exch 2½pc 1986 ● | 84⅝ | + | 2.95 | 8.45 |
| 107¼ | 103⅝ | Exch 13¼pc 1987 | 106 | – | 12.50 | 10.90 |
| 100 | 95⅞ | Treas. 10¼pc Cnv '87 | 99½ | –⅛ | 10.30 | 10.41 |
| 84 | 80¼ | Exchequer 2½pc 1987 | 82⅞ | +¼ | 3.01 | 8.68 |
| 100 | 95⅞ | Exch. 10½pc 1987 | 99 | –⅛ | 10.58 | 10.66 |
| 93¼ | 88⅛ | Funding 6½pc '85-87‡‡ | 90⅞ | +¼ | 7.15 | 9.70 |
| 98 | 96 | Treas 10pc 1987 | 97⅞ | | 10.22 | 10.72 |
| 86 | 80¼ | Treasury 3pc 1987 | 82⅞ | + | 3.61 | 8.59 |
| 104⅝ | 99⅞ | Treas 12pc 1987 | 103¼ | –⅛ | 11.62 | 10.94 |
| 93¼ | 89⅝ | Treasury 7¾pc '85-88‡‡ | 92⅝ | +¼ | 8.38 | 10.00 |
| 101½ | 95½ | Exch 10½pc '88 | 99 | –⅛ | 10.58 | 10.74 |
| 61⅞ | 59 | Treas 9¾pc CV'88 (£60pd) | 61⅛ | –⅛ | 9.98 | 10.41 |
| 81½ | 75¼ | Transport 3pc '78-88 | 80¼xd | + | 3.73 | 8.27 |
| 96¼ | 90¼ | Treas. 9½pc '88 | 95⅛ | –⅛ | 9.98 | 10.80 |

### Five to Fifteen Years

| 1983 High | Low | Stock | Price £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 105⅛ | 95¾ | Treasury 11½pc 1989 | 105¼ | –⅛ | 11.27 | 10.95 |
| 103 | 94¼ | Treas 10½pc 1989 | 98¼xd | –⅛ | 10.65 | 10.85 |
| 20 | 19½ | Exch 10pc 1989 (£20pd)● | 20 | .. | 10.32 | 10.74 |
| 83¼ | 76 | Treasury 5pc '86-89 | 82½ | .. | 6.11 | 9.65 |
| 114 | 103 | Treasury 13pc 1990‡‡ | 114 | .. | 11.93 | 10.92 |
| 109⅞ | 100⅞ | Exch. 12½pc 1990 | 109 | –⅛ | 11.73 | 11.01 |
| 93¼ | 86¼ | Treasury 8¼pc '87-90‡‡ | 90¼xd | +⅛ | 9.07 | 10.16 |
| 108¼ | 97 | Treasury 11¾pc 1991 | 108 | –⅛ | 11.37 | 11.04 |
| 83 | 74⅞ | Funding 5¾pc '87-91‡‡ | 81⅝ | | 7.12 | 9.44 |
| 103 | 95⅞ | Exch 11pc 1991 | 102 | | 10.91 | 10.82 |
| 114⅝ | 102 | Treasury 12¾pc '92‡‡ | 114 | –⅛ | 11.66 | 10.96 |
| 100 | 88¼ | Treasury 10pc 1992 | 99¼ | | 10.32 | 10.55 |
| 110¼ | 98½ | Exch 12¼pc '92 | 109⅞ | –⅛ | 11.50 | 11.04 |
| 116 | 106½ | Exchequer 13½pc '92 | 115⅞ | | 11.92 | 11.09 |
| 114 | 101¼ | Treasury 12½pc '93‡‡ | 113⅞ | –⅛ | 11.46 | 10.94 |
| 79⅛ | 71 | Funding 6pc 1993‡‡ | 78⅝ | | 7.76 | 9.62 |
| 120¾ | 110½ | Treasury 13¾pc 1993‡‡ | 116⅝ | –⅛ | 11.82 | 11.01 |
| 125¼ | 112⅞ | Treasury 14½pc '94‡‡ | 125⅝ | .. | 11.89 | 10.88 |
| 117⅞ | 109⅛ | Exchequer 13½pc 1994 | 116¼ | .. | 11.75 | 11.04 |
| 113⅞ | 100½ | Exch. 12½pc 1994 | 113 | .. | 11.42 | 10.95 |
| 94⅝ | 86¼ | Treasury 9pc '94‡‡ | 92½ | .. | 9.77 | 10.20 |
| 118⅛ | 99 | Treasury 12pc '95 | 111⅛ | | 11.23 | 10.91 |
| 65¼ | 61½ | Gas 3pc '90-95 | 64 | .. | 4.71 | 7.87 |
| 101⅞ | 88¼ | Exch. 10¼pc 1995 | 101⅛ | | 10.53 | 10.64 |
| 116⅝ | 106⅛ | Treasury 12¾pc '95‡‡ | 113½ | .. | 11.29 | 10.79 |
| 126⅛ | 110 | Treas. 14pc '96 | 125⅛ | .. | 11.67 | 10.96 |
| 93⅜ | 83⅜ | Treasury 9pc '92/96‡‡ | 93½ | .. | 9.83 | 10.21 |
| 131⅞ | 121¾ | Treasury 15¼pc '96‡‡ | 130 | | 11.85 | 10.95 |
| 121⅛ | 109¼ | Exchequer 13¼pc '96‡‡ | 117½ | –⅛ | 11.34 | 10.76 |
| 70 | 58 | Redemption 3pc 1986-96 | 69¼ | .. | 4.33 | 6.59 |
| 123⅝ | 107 | Treasury 13¼pc '97‡‡ | 122⅛ | .. | 11.28 | 10.71 |
| 103⅞ | 89½ | Exchequer 10½pc 1997 | 102¼ | .. | 10.52 | 10.52 |
| 92 | 80½ | Treasury 8¾pc 1997‡‡ | 91⅛ | .. | 9.82 | 10.22 |
| 131⅛ | 120¼ | Exch. 15pc 1997 | 130¼ | +⅛ | 11.66 | 10.93 |
| 78⅛ | 69½ | Treasury 6¾pc '95-98‡‡ | 76⅝ | | 8.88 | 9.90 |
| 137⅞ | 124¼ | Treas. 15½pc '98‡‡ | 136¼ | | 11.61 | 10.87 |
| 114½ | 101 | Exch. 12pc 1998 | 110⅛ | –⅛ | 10.92 | 10.65 |

### Over Fifteen Years

| 1983 High | Low | Stock | Price £ | + or – | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 99 | 86¼ | Treasury 9½pc 1999‡‡ | 98½ | –⅛ | 10.02 | 10.16 |
| 115⅝ | 103¾ | Exch. 12¼pc 1999 | 114⅝ | –⅛ | 10.93 | 10.62 |
| 104⅞ | 92¼ | Treasury 10½pc 1999 | 101½ | | 10.38 | 10.35 |
| 100 | 98⅝ | Conversn 10¼pc 1999 | 99½ | .... | 10.33 | 10.35 |
| 124¼ | 106 | Treas. 13pc 2000 | 123½ | .. | 10.97 | 10.60 |
| 128⅞ | 113⅛ | Treas. 14pc '98-01 | 123⅝ | .. | 11.36 | 10.79 |
| 116⅝ | 99¼ | Exch. 12pc '99-02 | 115⅛ | –⅛ | 10.84 | 10.55 |
| 130 | 111 | Treas. 13¾pc 2000-03 | 129 | .. | 11.08 | 10.62 |
| 113⅝ | 99⅛ | Treasury 11½pc '01-04 | 112⅛ | –⅛ | 10.45 | 10.24 |
| 50⅝ | 43½ | Funding 3½pc '99-04 | 50¼ | .. | 7.16 | 8.99 |
| 122¼ | 106½ | Treasury 12½pc '03-05 | 119 | .. | 10.54 | 10.28 |
| 87½ | 77¼ | Treasury 8pc '02-06‡‡ | 85⅞ | .... | 9.46 | 9.68 |
| 117⅝ | 99 | Treasury 11¾pc 03-07 | 116½ | –⅛ | 10.47 | 10.27 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### Undated

[illegible]

### Index-Linked

[illegible]

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

## CORPORATION LOANS

[illegible]

## COMMONWEALTH AND AFRICAN LOANS

[illegible]

## LOANS

### Public Board and Ind.

| | | | | | | |
|---|---|---|---|---|---|---|
| 77½ | 71½ | Agric. Mt. 5pc '59-89 | 75¾ | | 6.78 | 11.49 |
| 37¾ | 31¼ | Met. Wtr. 3pc 'B' | 37 | | 8.27 | 11.64 |

## LOANS—continued

### Financial

[illegible]

### Building Societies

[illegible]

## FOREIGN BONDS & RAILS

[illegible]

## AMERICANS

[illegible]

## CANADIANS

[illegible]

## BANKS, H.P. & LEASING

[illegible]

## BANKS—Continued

[illegible]

### Hire Purchase, Leasing, etc.

[illegible]

## BEERS, WINES & SPIRITS

[illegible]

## BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## DRAPERY AND STORES

[illegible]

## ELECTRICALS

[illegible]

## ELECTRICALS—Continued

[illegible]

## ENGINEERING

[illegible]

## FOOD, GROCERIES, ETC

[illegible]

## FOOD, GROCERIES—Cont.

[illegible]

## HOTELS AND CATERERS

[illegible]

## INDUSTRIALS (Miscel.)

[illegible]

## INDUSTRIALS—Continued

## LEISURE—Continued

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

### Commercial Vehicles

### Components

### Garages and Distributors

## NEWSPAPERS, PUBLISHERS

## PAPER, PRINTING ADVERTISING

## PROPERTY

## INSURANCES

## LEISURE

## PROPERTY—Continued

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

## INVESTMENT TRUSTS—Cont.

### Finance, Land, etc.

## OIL AND GAS

## OIL AND GAS—Continued

## OVERSEAS TRADERS

## PLANTATIONS

### Rubbers, Palm Oil

### Teas

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Finance

### Diamond and Platinum

### Central African



## MINES—continued

### Australians

| 1983 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 28½ | 13½ | ♥ACM 20c | 20 | ... | — | — | — |
| 52 | 32 | Allstate Expln NL | 40 | ... | — | — | — |
| 40 | 9 | ♥Australis Mng. NL | 27 | −1 | — | — | — |
| 25 | 11 | Balmoral Resources | 16 | ... | — | — | — |
| 60 | 34 | ♥Black Hill Mins. | 40 | −2 | — | — | — |
| 87 | 51 | ♥Bond Corp | 85 | ...... | 010c | ♦ | 7.5 |
| 183 | 116 | ♥Bougainville I Kina | 178 | .. | m03.21 | 1.2 | 1.2 |
| 374 | 204 | ♥CRA 50c | 370 | +2 | t03c | — | 0.5 |
| 145 | 60 | ♥Carr Boyd 20c | 79 | −4 | — | — | — |
| 44 | 25 | ♥Central Kalgoorlie | 44 | | — | — | — |
| 43 | 18 | ♥Central Pacific | 22 | −1 | — | — | — |
| 9 | 2¼ | ♥Con. Gold Mng Areas | 3¼ | −¼ | — | — | — |
| 17 | 5 | ♥Coopers Res N L | 9 | | — | — | — |
| 255 | 183 | ♥Crusader Oil | 207 | . | — | — | — |
| 20 | 8 | ♥Cultus Pac NL | 17½ | −½ | — | — | — |
| 19 | 7 | ♥Eagle Corp 10c | 13 | +1 | — | — | — |
| 215 | 96 | ♥Emperor Mines | 208 | | — | — | — |
| 14 | 8 | ♥Endeavour 20c | 12½ | . | — | — | — |
| 58 | 17 | ♥Enterprise Gld Mines | 30 | ...... | — | — | — |
| 810 | 500 | ♥GM Kalgoorlie 25c | 668 | +48 | hQ10c | ♦ | 0.9 |
| 24 | 6 | Gt. Eastern Mines | 20½ | +½ | — | — | — |
| 17 | 9 | ♥Great Victoria Gold | 11 | . | — | — | — |
| 32 | 15½ | ♥Haoma NW | 19 | | — | — | — |
| 92 | 28 | ♥Hill Minerals N.L | 37 | −2 | — | — | — |
| 41 | 13 | ♥Initial Mining | 18 | −1 | — | — | — |
| 20 | 5 | ♥Ivanhoe Gld N L | 10½ | . | — | — | — |
| 100 | 25 | ♥Jingellic Minerals | 43 | | — | — | — |
| 42 | 15½ | ♥Kalbara Min 20c | 16 | −1 | — | — | — |
| 23 | 9 | ♥Keywest Invs | 22 | −1 | — | — | — |
| 134 | 54 | ♥Kitchener NL 25c | 80 | | — | — | — |
| 180 | 74 | ♥Meekatharra 25c | 74 | −3 | — | — | — |
| 58 | 24 | ♥Metals Ex 50c | 44 | | — | — | — |
| 52 | 23 | ♥Metana Mns 20c | 32 | | — | — | — |
| 279 | 217 | ♥MIM Hldgs 50c | 245 | −2 | Q5c | 1.5 | 1.2 |
| 15 | 5 | ♥Mincorp 20c | 11 | . | — | — | — |
| 8 | 3 | ♥Minefields Expl 25c | 3½ | −½ | — | — | — |

### Tins

### Miscellaneous

## NOTES

## REGIONAL AND IRISH STOCKS

## OPTIONS

### 3-month Call Rates

"Recent Issues" and "Rights" Page 39

# AUTHORISED UNIT TRUSTS

# FT UNIT TRUST INFORMATION SERVICE

## Authorised Units—continued

**Atlanta Unit Managers Ltd**
1 Founders Ct. Lothbury. EC2. 01-600 8664

| | | | | |
|---|---|---|---|---|
| Jan Far East | 48.0 | 51.7 | +0.2 | 1.00 |

**Baillie, Gifford & Co Ltd**
3 Glenfinlas St. Edinburgh. 031-225 2581

| | | | | |
|---|---|---|---|---|
| JanExNov23 | 147.2 | 155.1 | .... | 0.32 |
| IntEx*Nv16 | 225.9 | 238.3 | .... | 1.51 |
| BGPPN†D15 | 214.2 | 225.5 | .... | 1.51 |

†Next dealing day.
*Unauthorised

**Equity & Law Un Tst Mngrs (a) (b) (c)**
Amersham Rd. High Wycombe. 0494 33377

| | | | | |
|---|---|---|---|---|
| Euro Tst Acc | 62.8 | 67.5 | +0.5 | 1.42 |

**Robert Fleming & Co Ltd**
8 Crosby Square, EC3A 8AN. 01-638 5858

| | | | | |
|---|---|---|---|---|
| AmExFd* | £277.49 | 283 54 | +8.87 | 0.82 |
| JapExFd* | £169.65 | 174 95 | +7.21 | 1.09 |

Next subscription day Dec16 1983.
*Fleming American Property Unit Trust
Latest issue price (15 11) US$10 621
Units are issued on Feb 15. May. Aug. Nov.
*Fleming Property Unit Trust
Latest issue price (25 12) £2 069
Units are issued on March 25. June 24. Sept 29 & Dec 25.
*Unauthorised.

**Guardian Royal Ex Unit Mngrs Ltd (a)**
Royal Exchange EC3V 3LS. 01-638 2020

| | | | | |
|---|---|---|---|---|
| Gilt & Fixed | 117.0 | 121.6 | −0.1 | 9.36 |
| Growth Eq | 103.4 | 111 2xd | .. | 2 44 |
| Guardhill | 184.4 | 191.0 | −1.0 | 3.33 |
| Nth Amer | 97 0 | 104.4 | −0 6 | 1.70 |
| Pacific | 107 4 | 115.5 | +1.3 | 0.37 |
| Prop Shares | 108.1 | 116.3 | ... | 1.90 |
| Small Cos | 112 1 | 120.0xd | | 1.99 |

**H.B.L. Unit Trust Mngrs Ltd (a) (c) (g)**
Premier NT Admin, 5 Rayleigh Rd. Hutton Brentwood. Essex. 0277-227300

| | | | | |
|---|---|---|---|---|
| Smllr Cos Tst | 53.5 | 56.9 | | 5.20 |
| Nth Amer | 49.1 | 52.2xd | −0.1 | 1.99 |
| Japan Far Tst | 54 8 | 58 3xd | +0.1 | 0 79 |
| Scandinvn Tst | 49.7 | 52.2 | +0.4 | 1.29 |

**Hexagon Services Ltd**
4 Gt St Helens. London EC4P 3EP 0708 45322

| | | | | |
|---|---|---|---|---|
| Aust First | 110.2 | 116.2 | .. | 2.43 |
| Brewin Cap | 87 0 | 91.6 | | 0.5 |
| Brewin Int | 78.2 | 82.4 | ... | 3 8 |
| Canada Grw | 112.4 | 120.9 | .. | 0 94 |

**Lawson Fund Managers Ltd (a) (c) (g)**
43 Charlotte Sq. Edinbgh 2. 031-225 6001

| | | | | |
|---|---|---|---|---|
| Carl Sq Fd | 56 5 | 58 5 | | 4.5 |
| Pen Shr Fd | 14.0 | 15 0 | .... | 1.9 |
| Aust & Pac | 8.5 | 9.5 | . | 0.6 |
| High Yield | 20.0 | 21.5xd | +0.4 | 11 5 |
| Do Accum | 21.5 | 23.0xd | +0.4 | 11.5 |

**London & Manchester (Tst Mgmt) Ltd**
72-80 Gatehouse Rd. Aylesbury. 0296 5941

| | | | | |
|---|---|---|---|---|
| Gen Tst | — | 25 0 | . | — |

**MGM Unit Managers Ltd**
MGM House. Heene Road Worthing. 01-623 8211

| | | | | |
|---|---|---|---|---|
| High Inc | 129 4 | 139 1 | −0 2 | 6 93 |
| (Accum Uts) | 135.4 | 145.6 | −0.3 | 6.53 |
| UK Growth | 123 3 | 132.6 | . | 3 21 |
| (Accum Uts) | 124 8 | 134.2 | −0.1 | 3.21 |

**MLA Unit Trust Management Ltd**
Old Queen St. SW1A 9JG. 01-222 8576

| | | | | |
|---|---|---|---|---|
| MLA Uts | 189.7 | 199 1xd | . | 2 69 |
| MLA Int | 29.6 | 31.0 | | 0.31 |

**The Money Market Trust**
63 Qn Victoria St. EC4N 4ST. 01-236 0952

| | | | | |
|---|---|---|---|---|
| 7 Day Fund | — | — | . | 8.72 |
| Call Fund | — | — | .. | 8.63 |

*Unauthorised—Sterling Deposit Fund.

**Scottish Unit Managers Ltd**
29 Charlotte Sq. Edinburgh. 031-226 4372

| | | | | |
|---|---|---|---|---|
| Pacific Fund | 26 7 | 28 9 | +0.2 | 0.30 |
| World Growth | 24.0 | 26 0xd | +0.1 | 2.29 |
| Nth Amer | 25.2 | 27.3 | . | 0.36 |
| Income Fund | 24.3 | 26.3xd | .... | 5.98 |

## Offshore & Overseas—continued

**Actibonds Investment Fund SA**
37 rue Notre Dame. Luxemb'rg. Tel 47971

| | | | | |
|---|---|---|---|---|
| Actibonds In | — | $19.93 | .. | — |

**Alliance Capital Management Intl Inc**
62 63 Queen St London EC4. 01-248 8881
Alliance International Dollar Reserves
Distribution Nov 22-29 (0.001867) 8 9% pa

| | | | | |
|---|---|---|---|---|
| HealthCrNov30 | — | $9.88 | −0.02 | — |
| Tech'logyNv30 | — | $22.21 | −0.01 | — |
| QuaserNov30 | — | $49.31 | +0.10 | — |

**Anes Fund Managers Ltd**
PO Box 284 St Helier. Jersey. 0534 72177

| | | | | |
|---|---|---|---|---|
| SterlFxdInt | £10.75 | 10.80 | .... | — |

**Bamford Brandt Guernsey Mngt Ltd**
PO Box 71. St Peter Port. Guernsey. 0481 26541

| | | | | |
|---|---|---|---|---|
| Tech&Coms | £7.65 | 8 12 | .... | — |
| IntGrowth | $16.32 | 17.32 | .... | — |

## Insurances—continued

# F.T. CROSSWORD PUZZLE No. 5,283

**ACROSS**

1 Cuba's leader—a revolutionary sort (6)
4 Ill-feeling after execution? (8)
9 A piece of land away from home (6)
10 A new stricter limit (8)
12 Firm action (8)
13 Coin stuck in a vegetable (6)
15 Rebel king I turn to (4)
16 Accomplished boxers are unhappy if they have to be (7, 3)
19 Unhealthy antagonism? (3-7)
20 He has writing dictated by the height of fashion (4)
23 This boat may be tied up (6)
25 Somebody in the theatre when conditions were very primitive (5, 8)
27 Bearing an account (8)
28 Absorbent soup or stew (6)
29 Temporarily dispense with the services of a Rugby player (5, 3)
30 Instruction used in the services? (6)

**DOWN**

1 Music room (7)
2 Jammed cylinder (5-4)
3 One way of underlining a decision (6)
5 Dad returns from the summit (4)
6 Got together and tucked in (8)
7 Without it one is utterly incompetent (5)
8 What Luther refused to do about a religious treatise (7)
11 Attack by a saint about one who became one (7)
14 Stone jar with nickel lining (7)
17 Rock musicals about workers (9)
18 Try to get in the act though very unpopular (8)
19 Reveals I have a thousand shares (7)
21 Child makes progress (7)
22 Toss a coin with me for profit (6)
24 Alice is out to get her (5)
26 Swell to fortissimo (4)

Solution to Puzzle No. 5,282

هكذا من الأصل



# INSURANCE & OVERSEAS MANAGED FUNDS

**Black Horse Life Ass. Co. Ltd.**
71, Lombard St., EC3. 01-623 1288

| | | | | |
|---|---|---|---|---|
| Black Horse Man. Fd. | | 233.17 | ..... | — |
| Managed Inv. Fd. | 156.86 | 165.12 | ..... | — |
| Property Fd. | 151.46 | 159.44 | ..... | — |
| Fixed Interest Fd. | 146.09 | 153.78 | ..... | — |
| Cash Fd. | 136.49 | 143.68 | ..... | — |
| Income Fd. | 168.36 | 177.23 | ..... | — |
| Extra Income Fd. | 160.75 | 169.22 | ..... | — |
| Worldwide Growth Fd. | 219.35 | 230.90 | ..... | — |
| Balanced Fd. | 167.80 | 176.64 | ..... | — |
| Smlr Co's & Recv. Fd. | 198.34 | 208.78 | ..... | — |
| Int. Technology Fd. | 250.82 | 264.03 | ..... | — |
| Nth. Amer. & Gen. Fd. | 157.88 | 166.19 | ..... | — |
| Energy Int. Fd. | 100.47 | 105.76 | ..... | — |
| Pacific Basin Fund | 135.41 | 142.54 | ..... | — |

**British National Life Assurance Co. Ltd.**
Haywards Rd, Haywards Heath. 0444-414111

| | | | | |
|---|---|---|---|---|
| Managed | 112.9 | 118.8 | ..... | — |
| Property | 113.9 | 119.9 | ..... | — |
| Equity | 115.7 | 121.8 | ..... | — |
| International | 125.8 | 132.4 | ..... | — |
| Fixed Interest | 102.9 | 108.3 | ..... | — |
| Deposit | 99.8 | 105.0 | ..... | — |
| Managed Pen. Cap. | 113.8 | 119.9 | ..... | — |
| Property Pens. Cap. | 114.8 | 120.9 | ..... | — |
| Equity Pens. Cap. | 110.2 | 116.0 | ..... | — |
| Intnl. Pens. Cap. | 129.6 | 136.5 | ..... | — |
| Fixed Int. Pens. Cap. | 100.5 | 105.7 | ..... | — |
| Deposit Pens. Cap. | 97.5 | 102.6 | ..... | — |

**Canada Life Group**
2-6, High St., Potters Bar, Herts. P. Bar 51122

| | | | | |
|---|---|---|---|---|
| Equity Gth Nov 30 | | 97.1 | ..... | — |
| Rtmt. Fed. Nov 6 | | 255.4 | ..... | — |
| Managed Pen Fund | 186.7 | 196.5 | +2.4 | — |
| Property Pen Fund | 115.1 | 121.2 | +0.7 | — |
| Index Lnkd Pen Fund | 111.8 | 117.7 | -1.7 | — |

## OFFSHORE AND OVERSEAS

PO Box 214, St Peter Port, Guernsey 0481 27768

| | | | | |
|---|---|---|---|---|
| Gilt & Option Fd | £1.15 | 1.20 | ..... | 2.50 |
| US $ Option | $1.01 | 1.06 | ..... | — |

**World Wide Growth Management♦**
10a, Boulevard Royal, Luxembourg

| | | | | |
|---|---|---|---|---|
| Worldwide Gth Fd | $12.63 | | ..... | — |

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

**Wren Commodity Management Ltd.**
10, St. George's St., Douglas IoM 0624 25015

| | | | | |
|---|---|---|---|---|
| Wren Com. Fund | 20.5 | 21.4 | -1.8 | — |
| Chinese Fund | 65.4 | 68.1 | +0.7 | — |
| Precious Metal Fund | 119.3 | 124.2 | +0.6 | — |
| Vanguard Cmdy. Fd. | 33.7 | 34.6 | -0.6 | — |
| Financial Futures Fd | 62.9 | 65.4 | -2.6 | — |
| Wren Intl. Fnd.* | $0.438 | 0.457 | -0.002 | — |

### NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ♯ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

# COMMODITIES AND AGRICULTURE

## UHT milk set to reach shops

BY RICHARD MOONEY

THE FIRST consignment of French UHT (ultra heat treated) milk could reach British shops next week if it passes health tests at Newhaven, its port of entry.

Ministry of Agriculture inspectors took samples from the 20,000 litre shipment for testing after it arrived at the port yesterday. If the milk clears the tests and meets other UK regulations it is likely to be released on Monday to continue its journey to Britain's supermarket shelves.

The way was cleared for UHT imports two weeks ago, despite impassioned pleas from the UK dairy industry for continued market protection—based mainly on claims that cheap imported milk would destroy the doorstep delivery service. Health and hygiene rules in the UK, which had kept out foreign milk, were ruled illegal by the European Court.

Under terms agreed between the British Government and the EEC Commission, import consignments must identify the product, the system of heat treatment used, how long the treatment lasted, the date treatment was carried out and details about the dairy, the packager, exporter, consignee and transporter. It must also carry health certification and remains subject to sampling and testing on arrival.

Initially, consignments can be expected to be tested almost as a matter of course, but if early shipments are consistently given clean bills of health, testing is likely to become more sporadic for subsequent shipments.

The consignment being tested in Newhaven has been shipped by ULN of Normandy, France's largest dairy co-operative. Other continental dairies will be watching results almost as closely, however. Producers in the Netherlands, Belgium and Ireland are anxious to get a foothold in the British market.

Imported UHT milk may undercut supermarket prices for British milk by 4p or 5p a pint and could be up to 7p a pint below the doorstep price.

## Bumper wheat crop likely

BY JOHN EDWARDS

WORLD production of wheat next year could approach 500m tonnes—17m tonnes above this year's record crop, according to a preliminary estimate issued yesterday by the International Wheat Council.

The Council said the prediction depended on favourable weather continuing, and Soviet Union output faring better than of late.

It noted that a crop of 500m tonnes would exceed consumption by some 15m tonnes and would mean a further rise in carryover stocks, especially those in the U.S.,

World carryover stocks at the end of the 1983-84 are forecast to rise by 1m to 117m tonnes, following the bumper 1983 crop of 483m tonnes, of which 64m tonnes will be held by the five major exporters—the U.S., Canada, EEC, Argentina and Australia.

International trade in wheat during 1983-84 is estimated at 98m tonnes, 1m tonnes higher than in 1982-83. Imports by developing countries are expected to rise by 3.5m to 50m tonnes, but reduced purchases by China and the Soviet Union should reduce imports by centrally-planned countries by 3.5m to 35.5m tonnes.

## Egg prices to rise by up to 6p

EGG PRICES will rise in the shops by up to 6p a dozen next week, but the rise is likely to be the last before Christmas, producers said.

It is the fourth large rise in the last few weeks, caused by supply shortages and exceptionally high demand, according to Goldenlay, egg farmer co-operative.

All sizes will increase in price. The rise on grade three eggs, the most popular size, takes the price to about 80p a dozen.

● SOUTH AFRICAN cattle breeder paid a record UK price of 15,000 guineas for a Sussex bull from the Petworth herd.

● INDONESIAN rice output in the year to March 1985 should rise to 25.14m tonnes from about 23.5m tonnes this year, the official news agency said.

● U.S. AGRICULTURE Department said it would sell Commodity Credit-owned lower grade corn to livestock producers whose feed harvest was cut by drought, hot weather or other related causes.

● INDIA must import more natural rubber because a domestic shortage is hurting its rubber goods industry, the Automotive Tyre Manufacturers Association said.

● EUROPEAN Commission proposals to incorporate 2m tonnes of EEC intervention wheat in animal feed should be implemented soon because high coarse grain prices in relation to wheat may not last, director-general of the Grain Intervention Board said.

● HUMBER Laboratory, Hull, will close by July 1 next year and its work transferred to the parent Torry Research, Aberdeen, Mr Michael Jopling, Agriculture Minister said. The laboratory examines fish processing methods.

● WEST GERMAN primary aluminium output rose to 550,300 tonnes in the first nine months this year, up slightly

FARMER'S VIEWPOINT

## Scene looks set for another good year

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE Royal Smithfield Show which opens on Monday is as good a time as any for summing up the farming year just past.

For most farmers, it started during the autumn of 1982 with the planting of the winter cereals, now the bulk of those grown.

The outlook then was far from promising—constant rain made sowing difficult and many crops, particularly of wheat, were mesed in, as the saying goes.

This was followed by a particularly beastly spring which delayed the planting, not only of spring barey, but also of potatoes and sugar beet. Nor was the rain much use to dairy farmers. Cows were soon treading the young grass into the sodden fields and many farmers had to take them back into the buildings and feed them there reserves of silage and hay. If that was not enough the cessation of the rain in late May was followed by drought conditions which scorched up pastures and restricted crop growth, and at the end of the summer, actually reversed for a couple of months the inexorable rise in milk output.

In spite of this combination of misfortunes, which had most farmers prophesying doom and disaster, things turned out surprisingly well. In the opinion of the Ministry of Agriculture, which some farmers question, the harvest was the second biggest on record and grain prices started at a higher level than they did last year.

It was also, in most parts of the country, a very easy harvest—very little use had to be made of grain dryers. Crops were somewhat patchy, with wide variations in yields between farms very little distance apart. But in general, wheat was the crop of the year, with winter barley next, and spring barley very moderate.

Among the other arable crops, oilseed rape took a bit of a battering and yields were well down. But sugar beet recovered well after a poor start and returns are not far below last year's. Even the potato crop, in spite of high prices reflecting an expected shortage, could well surprise those prophesying a dearth in supplies.

This autumn has produced perfect weather with wonderful soil conditions encouraging the planting of a record acreage of winter cereals. Pasture growth has been almost as good as in spring. Dairy farmers have been able to graze their cows out at least a month longer than expected thus saving their hay and sileage stocks. All looks set for another good farming year—except in the pig and poultry sector—which is emerging from a difficult period and for which recovery is still far from asured.

This overall optimism would indicate that the machinery stands at the Smithfield Show will be thronged with arable farmers and dairymen spending money fairly freely. This would seem to be the case in that tractor sales are up by about 10 per cent so far this year. Land prices have resumed a faltering rise, mainly because of farmers buying—the institutions appear to have dropped out.

But over the last few weeks a new mood seems to have gripped the industry. British farmers have taken to heart the message that the EEC is running out of money and that for the future, returns for the guaranteed products — milk, cereals, beef and sheepmeat—could at best be frozen, and at worst very much reduced. Farmers also believe that the economy measures proposed by the EEC, especially for milk, sheepmeat and beef, discriminate against them, as do those emerging for cereal exports.

They have not been reassured by statements from Mr Michael Jopling, the Minister of Agriculture, about the need to keep prices under control to reduce community surpluses. Mr Jopling's warnings were given added weight in a recent speech by Sir Michael Franklin, permanent secretary to the Ministry of Agriculture.

Sir Michael said, at the Royal Agricultural Society's Outlook conference, that net farm incomes would be down by between 10 per cent and 15 per cent next year and that measures taken in the community to control spending would be certain to generate difficulties for farmers. In addition, he underlined the criticism which has been voiced against farming on matters as disparate as its cost to the taxpayer and the damage to the environment, and on straw burning.

"The tide of public opinion," he said, "is running against the industry. That is something which democratically - elected governments must take into account and which the industry cannot afford to ignore or minimise."

## Guernsey growers forge ahead with reorganisation

BY A CORRESPONDENT

CONTINUING progress in the reorganisation of Guernsey's growing industry, which it is hoped will need no further government aid after 1986, is reported in the island's latest economic survey.

While the area devoted to tomato-growing continues to decrease, with a further drop of 23 per cent this year to 240 acres, larger areas of freesias, carnations, iris, chrysanthemums and ornamental plants have been grown.

Ornamentals are seen as a sector of the flower industry with great scope for expansion and a growers' company will be set up with government support to co-ordinate production and marketing.

An increasing range of vegetable crops is also being shipped through the Guernsey Tomato Marketing Board, which has introduced cooling facilities to handle this produce. More than 1.5m cucumbers have been exported this autumn

The official forecast is that state aid to the whole horticultural industry, which amounted to £1.35m this year, can be reduced by stages to £540,000 in 1986 and then cease to be necessary because of the progress made in production methods, promotion and marketing.

However, the Guernsey Growers' Association is sceptical about the reasons for assuming that price support for tomato growers can be reduced to £400,000 next year, £300,000 in 1985 and £200,000 in 1986.

The association says in its annual report: "The support given over the last few years has undoubtedly kept many tomato growers in business, but the significance of it has been reducing.

"The £400,000 for 1984 is unlikely to be a very important consideration to growers when deciding whether or not they are going to continue growing tomatoes."

## Demand for nickel 'likely to increase'

By John Edwards, Commodities Editor

NON-COMMUNIST world demand for nickel is expected to increase by a further 9 per cent next year to 1.2bn lbs (545,000 tonnes), according to Mr Charles F. Baird, chairman and chief executive of Inco.

Speaking in Toronto to financial analysts, Mr Baird said there were clear signs that U.S. capital spending was also recovering. He said spending on consumer durable goods had already pushed up demand for nickel this year. Although consumption had fallen in the third quarter, after rising strongly in the first half of the year, sales for the whole year were expected to be 13 per cent higher than last year at 1.1bn lbs.

On the longer term outlook, Mr Baird said Inco was forecasting nickel demand to rise by between 2 per cent and 3 per cent annually. The trend towards "smaller, thinner, lighter" in manufacturing technology had not enhanced growth prospects for nickel and other metals, but it had not reduced them to zero.

On the supply side, Mr Baird said total world nickel production this year was estimated at 1bn lbs, and gross imports from the Soviet bloc were currently running at about 85 lbs.

Mr Baird said nickel prices still remained below profitable levels. But unit costs had been cut and their breakeven price was closer to the third quarter LME average cash price of $2.20 a lb than to $3.00.

● Profit-taking sales by speculators brought an easier trend on the London metal markets yesterday. Copper prices lost ground, after rising for nine days in succession. The higher grade three months quotation closed £8 lower at £1,020.75 a tonne. Other base metals, except lead and zinc, followed the downward trend

## PRICE CHANGES

| In tonnes unless stated otherwise | Dec. 1 1983 | + or — | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium | £1050 | ........ | £1050 |
| Free Mkt. | $1575/1605 | .... | $1530/560 |
| **Copper** | | | |
| Cash h grade | £997 | —8 | £914 |
| 3 mths | £1020.25 | —8 | £936.75 |
| Cash Cathode | £979.25 | —10.25 | £894.25 |
| 3 mths | £1003.75 | —9.25 | £917.5 |
| Gold troy oz | $397.875 | —5.625 | $377.625 |
| Lead Cash | £282.5 | +1.5 | £270.25 |
| 3 mths | £291.75 | +1 | £280.25 |
| Nickel | £4646.34 | .... | £4646.34 |
| Free Mkt | 208/228c | .... | 215/235c |
| Palladium oz | $155.00 | —1 | $143.25 |
| Platinum oz | £276.35 | —4.3 | £253.10 |
| Quicksilvert | $305/315 | .. | $316/325 |
| Silver troy oz | 655.45p | —14.40 | 583.75p |
| 3 mths | 669.45p | —15.30 | 596.40p |
| Tin cash | £8668.5 | —36.5 | £8585 |
| 3 month | £8807.5 | —27.5 | £8680.5 |
| Tungsten | $78.12 | .... | $78.25 |
| Wolfr'm 22.04 lb | $68.72 | .... | $74/79 |
| Zinc Cash | £582 | .... | £571 |
| 3 mths | £596.75 | .... | £584.5 |
| Producers | $950 | .... | $925 |

| | Dec. 1 1983 | + or — | Month ago |
|---|---|---|---|
| **Oils** | | | |
| Coconut (Phil) | $935y | +7.5 | $890 |
| Goundnut | $890x | ..... | ‡ |
| Linseed Crude | ‡ | ..... | ‡ |
| Palm Malayan | $675v | —5 | $652.5 |
| **Seeds** | | | |
| Copra Phil | $610x | +5 | $576 |
| Soyabean (U.S.) | $316u | —5.5 | $336.75 |
| **Grains** | | | |
| Barley Fut. Mar | £122.75 | —0.15 | £119.45 |
| Maize | £146.00u | .... | £146.00 |
| Wheat Fut. Mar | £125.85 | .... | £133.05 |
| No 2 Hard Wint | ‡ | ..... | ‡ |
| **Other commodities** | | | |
| Cocoa ship't* | £1662 | —27 | £1624.5 |
| Fut. March | £1602.5 | —28 | £1458 |
| Coffee Ft. Mar | £190.5 | +29.5 | £1848.5 |
| Cotton A.Index | 89.20c | +0.2 | 89.30c |
| Gas Oil. Jan. | $245.25 | +1.25 | $257.75 |
| Rubber (kilo) | 82p | —0.5 | 79p |
| Sugar (Raw) | £139x | —4 | £130 |
| Wooltops 64s | 405p kilo | ....... | 401p kilo |

‡ Unquoted. u Dec. v Jan. x Dec-Jan. y Nov-Dec. † Per 76 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

## LONDON OIL

Gas oil opened unchanged to a shade weaker and moved quickly higher as general buying came in. Prices moved to the highs on the New York openings, attracting trade selling.

Crude oil followed a similar trading pattern, with prices moving up from an unchanged opening, reports Premier Man.

### SPOT PRICES

| | Latest | Change + or — |
|---|---|---|
| **CRUDE OIL—FOB ($ per barrel)** | | |
| Arabian Light | 28.30-28.40 | —0.05 |
| Iranian Light | 27.87-28.05 | —0.02 |
| Arab Heavy | 26.35-26.45 | — |
| North Sea (Forties) | 28.40-28.70 | —0.25 |
| North Sea (Brent) | 28.50-28.75 | —0.25 |
| African(Bonny Lt'ht) | 28.80-29.40 | +0.20 |
| **PRODUCTS—North West Europe CIF ($ per tonne)** | | |
| Premium gasoline | 281-285 | — |
| Gas oil | 248-266 | — |
| Heavy fuel oil | 168-178 | — |

### CRUDE OIL FUTURES

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per brl | | |
| Feb | 28.50 | +0.07 | — |
| Mar | 28.48 | +0.05 | 28.52-28.45 |
| Apr | 28.45 | +0.09 | 28.47-28.45 |
| May | 28.44 | +0.11 | 28.51-28.42 |
| June | 28.45 | — | — |

Turnover: 120 (181) lots of 1,000 barrels.

### GAS OIL FUTURES

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| Dec | 245.50 | +1.25 | 246.50-43.50 |
| Jan | 245.25 | +1.25 | 246.25-43.50 |
| Feb | 242.00 | +1.00 | 243.50-41.25 |
| Mar | 237.50 | +0.75 | 238.75-36.75 |
| April | 234.75 | +0.50 | 235.50-34.00 |
| May | 232.75 | +1.00 | 232.75-32.50 |
| June | 233.00 | —0.75 | — |
| July | 233.00 | —1.00 | — |
| Aug | 234.00 | — | — |

Turnover: 2,275 (2,688) lots of 100 tonnes.

## GOLD MARKETS

Gold fell $5¼ to $397½-398½ on the London bullion market yesterday. It opened at $398½-399 and was fixed at $398½ in the morning, and $399¼ in the afternoon. The metal touched a peak of $399¾-400¼, and a low of $396½-397.

In Paris the 12½ kilo gold bar was fixed at FFr 105,000 per kilo ($398.15 per ounce) in the afternoon, compared with FFr 105,000 ($398.28) in the morning, and FFr 106,800 ($405.00) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,705 per kilo ($400.3 per ounce), against DM 35,305 ($406.49), and closed at $399-399½, compared with $402½-403.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $397.75 per ounce against $400.

In Zurich gold finished at $398½-399 compared with $402½-403½.

### LONDON FUTURES

| Month | Yest'rday's close | + or — | Business Done |
|---|---|---|---|
| | $ per troy ounce | | |
| Dec | 398.00-99.0 | —7.10 | — |
| Feb | 403.80-04.0 | —7.35 | 405.80-03.8 |
| April | 410.40-11.1 | —7.05 | 412.50-11.7 |
| June | 416.80-18.0 | —6.95 | — |
| Aug | 423.00-24.5 | —7.20 | — |
| Oct | 429.00-31.0 | —7.30 | — |

Turnover: 950 (1,455) lots of 100 troy ounces.

| Gold Bullion (fine ounce) | Dec. 1 | | Nov. 30 | |
|---|---|---|---|---|
| Close | $397¼-398¼ | (£272¼-273¼) | $403-404 | (£275½-276) |
| Opening | $398¼-399 | (£272-272½) | $396¼-397½ | (£271-271½) |
| Morning fixing | $398.50 | (£272.441) | $405.75 | (£277.190) |
| Afternoon fixing | $399.25 | (£273.085) | $405 | (£276.980) |

| Gold and Platinum Coins Dec. 1 | | | | | |
|---|---|---|---|---|---|
| Krugrnd | $410¼-410¾ | (£281¼-281¾) | King Sov | $95-96½ | (£65-66) |
| ½ Krg | $211½-212¼ | (£145-145½) | Victoria Sov | $95-96½ | (£65-66) |
| ¼ Krg | $108-108¾ | (£74-74½) | French 20s | $77-79¼ | (£52¾-54¼) |
| 1/10 Krug | $42-42½ | (£29¼-29¼) | 50 pesos Mex | $484-488 | (£332-334¼) |
| Mapleleaf | $410-410¾ | (£281¼-281¾) | 100 Cor. Aust | $387-391 | (£265¼-268¼) |
| New Sov | $93½-94½ | (£64¼-64¾) | $20 Eagles | $540-550 | (£370¼-377¼) |
| ½ New Sov | $56½-57 | (£38½-39) | Noble (Plat) | $414¼-418½ | (£284¼-287½) |

## EUROPEAN MARKETS

ROTTERDAM, December 1

**Wheat** — (U.S. $ per tonne): U.S. Two Red Winter Dec 157, Feb 159, March 160, April 161. U.S. Two Northern Spring 14 per cent protein Dec 184, Jan 189, Feb 190, March 190, April/May 178.50. U.S. Three Amber Durum April/May 198, June 200. Canadian Western Spring Nov 15/Dec 15 207, April/May 212.

**Maize** — (U.S. $ per tonne): U.S. Three Yellow spot 160, arrived Ghent 161, Dec 159, Jan 156.50, Feb 157, March 157.50, April/June 157.50 sellers. Argentine Plate Dec 178, Jan 175, April/June 163 sellers.

**Soyabeans**—(U.S. $ per tonne): U.S. Two Yellow Gulfports afloat 310, Dec 310.90, Jan 314.50, Feb 318.50, March 322.20, April 324.50, Aug 320, Sept 302, Oct 289.75, Nov 288.75, Dec 272.75, Jan 277 sellers.

**Soyameal**—(U.S. $ per tonne): 44 per cent afloat 257, Dec 259, Jan 263, Feb 268, March 271, Jan/March 267.50, April/Sept 261, Nov/March 230 sellers. Pellets Brazil afloat 232, Dec 281, Jan 289, Feb 292, March 283, April/Sept 266, May/Oct 265, Oct/Dec 250 sellers. Pellets Argentine afloat 266, Dec 273, Jan 272, Feb 276.50, March 276.50, May/Sept 260, Oct/Dec 246 sellers.

PARIS, December 1

**Cocoa**—(FFr per 100 kg): Dec 1905/1930, March 1952/1954, May 1971/1975, July 1975 asked, Sept 2020 asked, Dec 2030 asked, March 2040 asked.

**Sugar**—(FFr per tonne): March 1975/1980, May 2050/2060, Oct 2220/2240, Dec 2290/2315, March 2375/2400.

## BRITISH COMMODITY PRICES

### BASE METALS

BASE-METAL PRICES were lower on the London Metal Exchange. Copper fell to £1,015, following profit-taking and the decline in precious metal prices, but rallied to £1,027.5 before closing the late Kerb at £1,022. Heavy trade selling depressed Aluminium to £1,091.5 but Lead attracted persistent support and edged up to close at £291.75. Tin fell away to £8,800 in early trading but responded to talk of Japanese interest and buffer stock support to end the day at £8,805.

### COPPER

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 997.5-8.5 | —18.7 | 996.5-7.5 | —8 |
| 3 months | 1021-.5 | —20.5 | 1020.5-1 | —8 |
| Settlem't | 998.5 | —19.5 | — | ...... |
| Cathodes | | | | |
| Cash | 980-.5 | —21.5 | 979-.5 | —10.2 |
| 3 months | 1003-.5 | —21.2 | 1003.5-4 | —9.25 |
| Settlem't | 980.5 | —21.7 | — | ..... |
| U.S. pro'd. | — | ..... | *66-9 | ..... |

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £999, 98.50, 98, three months £1,025, 24.50, 24, 23, 22, 21, 22, 22.50, 23, 22.50, 22, 21.50. Cathodes: Cash £980, three months £1,003. Kerb: Higher Grade: Three months £1,018, 17, 18, 15, 16, 17, 18, 19, 20. Afternoon: Higher Grade: Three months £1,020, 19, 18.50, 19.50, 20, 19.50, 19, 20, 20.50, 21. Kerb: Higher Grade: Three months £1,023, 22, 21, 20.5, 20, 19, 19.5, 20, 21, 20, 20.5, 21, 22. Turnover: 33,475 tonnes.

### TIN

| TIN | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| High Grde | £ | £ | £ | £ |
| Cash | 8725-35 | —52.5 | 8735-45 | —55 |
| 3 months | 8820-30 | —37.5 | 8828-6 | —24.5 |
| Settlem't | 8735 | —50 | — | ..... |
| Standard | | | | |
| Cash | 8672-5 | —44 | 8667-70 | —38.5 |
| 3 months | 8805-6 | —40 | 8807-8 | —27.5 |
| Settlem't | 8675 | —45 | — | ..... |
| Straits E. | £29.97 | —0.15 | — | ..... |
| New York | — | | | |

Tin—Morning: Standard: Cash £8,672, three months £8,820, 15, 05, 8,800, 05, 07, 06, 05. High Grade: Cash £8,745, 40, three months £8,826, 25. Kerb: Standard: Three months £8,810, 05, 06. Afternoon: Standard: Three months £8,805, 06, 10, 07, 09, 08, 07. Kerb: Standard: Three months £8,810, 05. Turnover: 1,960 tonnes.

### LEAD

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 283-.5 | —1 | 282-3 | +1.5 |
| 3 months | 291-.5 | —2.5 | 291.5-2 | +1 |
| Settlem't | 283.5 | —1 | — | ..... |
| U.S. Spot | — | ..... | *25.9 | ..... |

Lead—Morning: Cash £281, 81.50, 82, 83, three months £292, 91.50, 91, 91.50. Kerb: Three months £291.50, 292. Afternoon: Three months £291.50, 91.25, 91.50, 91, 91.50, 92, 92.50, 92. Kerb: Three months £292, 92.25, 92. Turnover: 13,300 tonnes.

### ZINC

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 581-2 | —7.25 | 581.5-2.5 | — |
| 3 months | 596-.5 | —7.62 | 596.5-7 | — |
| Settlem't | 582 | —7 | — | ..... |
| Prim w'ts | — | ..... | *49-.75 | ..... |

Zinc—Morning: Three months £597, 96, 96.50, 96. Kerb: Three months £596. Afternoon: Three months £596.50, 97. Kerb: Three months £597. Turnover: 4,650 tonnes.

### ALUMINIUM

| Aluminim | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 1058-9 | —21 | 1063.5-4.5 | —8 |
| 3 months | 1086-7 | —21.2 | 1091.5-2 | —9 |

Aluminium—Morning: Three months £1,098, 97, 96.50, 96, 95.50, 95, 95, 94, 93.50, 93, 92, 90, 88, 87, 88, 86, 88, 87, 87.50, 87, 86. Kerb: Three months £1,086, 87, 86.50, 86, 87, 88, 87.50, 88, 89. Afternoon: Three months £1,092, 91, 90, 89, 89.50, 90, 91, 91.50, 92. Kerb: Three months £1,093, 94, 93.5, 92, 92, 91.50, 90, 89, 88, 89, 90, 91, 91.5. Turnover: 25,550 tonnes.

### NICKEL

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| Spot | 3177-80 | —44 | 3175-8 | —25 |
| 3 months | 3256-60 | —47.5 | 3255-8 | —28 |

* Cents per pound. ‡ MS per kilo. † On the previous unofficial close.

Nickel — Morning: Three months £3,260, 65, 68, 70, 56. Kerb: Three months £3,255, 60. Afternoon: Three months £3,265, 60, 58, 59, 60, 61, 64, 63, 60. Turnover: 744 tonnes.

### SILVER

Silver was fixed 14.4p an ounce lower for spot delivery in the London bullion market yesterday at 655.45p. U.S. cent equivalents of the fixing levels were: spot $9.58, down 23c; three-month $9.80, down 24.4c; six-month $10.04, down 24c; and 12-month $10.519, down 25.7c. The metal opened at 651½-654p ($9.54-9.58) and closed at 650½-653p ($9.48-9.52).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. p.m. Unoffic'l | + or — |
|---|---|---|---|---|
| Spot | 655.45p | —14.4 | 650.5p | —12 |
| 3 months | 669.45p | —15.3 | 665.25p | —12.2 |
| 6 months | 684.90p | —14.8 | — | ...... |
| 12 months | 714.95p | —15.8 | — | ...... |

LME—Silver (2,000 oz contract)—Three months 669p (675.5p). Turnover 2 (2).

Turnover: 100 (220) lots of 10,000 oz. Morning: Large contract three months 672.0, 67.0, 67.5, 67.0, 66.0, 65.5, 66.0. Kerb: large three months 666.5. Afternoon: large three months 663.0, 62.0, 62.5, 65.0; small three months 670.0. Kerb: three months large 665, 64.

### COCOA

Futures were anticipated to open unchanged but traded lower and lost ground steadily throughout the day to close on a weak note, reports Gill and Duffus.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Dec | 1600-02 | —27.0 | 1618-91 |
| March | 1602-03 | —28.0 | 1624-95 |
| May | 1601-02 | —27.5 | 1619-95 |
| July | 1600-02 | —29.0 | 1617-98 |
| Sept | 1604-05 | —24.5 | 1615-98 |
| Dec | 1603-07 | —24.5 | 1615-02 |
| March | 1604-09 | —18.5 | — |

Sales: 7,527 (7,455) lots of 10 tonnes. ICCO—Indicator prices (U.S. cents per pound). Daily price for Dec 1: 102.79 (105.00); five-day average for Dec 2: 104.70 (105.12).

### COFFEE

During a moderately active session prices advanced from a slightly easier opening to fresh contract highs in March, May and July, reports Drexel Burnham Lambert. Gains of £30-£41 were posted in nearbys as trade buying triggered short-covering.

| COFFEE | Yest'day's Close | + or — | Business Done |
|---|---|---|---|
| January | 1936-27 | +41.0 | 1926-82 |
| March | 1902-04 | +29.5 | 1905-71 |
| May | 1847-48 | +32.0 | 1848-18 |
| July | 1799-00 | +26.5 | 1801-80 |
| Sept | 1755-60 | +31.0 | 1760-50 |
| Nov | 1725-30 | +11.0 | 1728 |
| January | 1705-18 | — | 1715 |

Sales: 3,442 (3,171) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for Nov 30: Comp daily 1979 137.80 (138.14); 15-day average 137.48 (137.38).

### GRAINS

Wheat moved 40p higher on shipper buying and stronger physical trade but met large scale profit-taking to fall back to unchanged levels. Barley was a little weaker in limited trade while new crops were featureless, reports Muirpace.

| WHEAT Mnth. | Yesterdy's close | + or — | BARLEY Yest'day's close | + or — |
|---|---|---|---|---|
| Jan | 121.00 | +0.05 | 119.85 | —0.15 |
| Mar | 125.85 | — | 122.75 | —0.15 |
| May | 126.60 | —0.05 | 124.70 | —0.20 |
| July | 129.80 | —0.05 | — | — |
| Sept | 113.90 | +0.15 | 111.20 | — |
| Nov | 116.90 | — | 114.50 | — |

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Jan-March 142.25 trans shipment East Coast. English feed fob Jan/March 126.75 East coast. Maize: French Dec 145, Jan/March 150 East Coast. Barley: English feed fob Jan/March 126.50 East coast rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 118.60, S. West 118.70, N. West 117.20. The UK monetary coefficient for the week beginning Monday December 5 (based on HGCA calculations using five days exchange rates) is expected to remain unchanged.

Business done—Wheat: Jan 121.30-1.00, March 124.25-3.85, May 127.25-6.80, July 130.25-29.90, Sept 114.00 only, Nov untraded. Sales: 217 lots of 100 tonnes. Barley: Jan 119.90 only, March 123.05-2.75, May 125.00-4.80, Sept 111.30 only. Sales: 31 lots of 100 tonnes.

### POTATOES

After easing in sympathy with the Dutch market early in the day strong buying support was evident at around £192.00 basis April and in fairly quiet conditions prices improved to close at around unchanged levels, reports Coley and Harper.

| Month | Yesterday's close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Feb | 164.30 | 165.80 | 164.00-163.0 |
| April | 195.10 | 193.30 | 195.00-191.5 |
| May | 198.00 | 197.80 | 198.50-196.5 |
| Nov | 78.50 | 78.50 | — |
| Feb | 88.50 | 88.00 | — |

Sales: 761 (1,565) lots of 40 tonnes.

### RUBBER

The London physical market opened about unchanged, attracted selling throughout the day and closed quiet and easier, reported Lewis and Peat. The Kuala Lumpur December fob price for RSS No. 1 was 263.0 (same) cents a kg and SMR 20 227.0 (223.0).

| No. 1 R.S.S. | Yesterdy's close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Jan | 830-840 | 845-850 | — |
| Feb | 830-840 | 837-840 | — |
| Jan-Mch | 830-838 | 839-842 | 836-830 |
| Apl-Jne | 841-845 | 849-850 | 850-840 |
| Jly-Sept | 852-853 | 861-862 | 853-851 |
| Oct-Dec | 863-864 | 872-874 | 864-863 |
| Jan-Mch | 873-876 | 885-888 | — |
| Apl-Jne | 885-890 | 899-902 | 888 |
| Jly-Sept | 895-903 | 911-916 | 898 |

Sales: 60 (186) lots of 15 tonnes, nil (6) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 82.00p (82.50p), Jan 82.75p (83.25p); Feb 83.25 (83.75p).

### SOYABEAN MEAL

The market opened £1.50 down in thin trading conditions, reports T. G. Roddick, and remained weak with trade and commission house follow-through selling.

| | Yestday's close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Dec | 181.00-84.00 | —0.80 | 183.00 |
| Feb | 184.20-84.50 | —2.50 | 186.20-84.70 |
| April | 186.90-87.50 | —2.65 | 188.50-87.00 |
| June | 185.00-84.00 | —1.95 | — |
| August | 185.00-84.00 | —2.10 | 185.60 |
| October | 170.00-74.00 | —2.50 | — |
| Dec | 159.00-64.00 | —2.50 | — |

Sales: 50 (104) lots of 100 tonnes.

### SUGAR

| No. 4 Contract | Yestday's close | Previous close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| Mar | 160.00 | 162.75-65.00 | 165.50-59.25 |
| May | 165.00-65.20 | 167.75-68.00 | 168.50-64.50 |
| **No. 6 Contract** | **$ per tonne** | | |
| Mar | 234.60-35.00 | 239.20-39.80 | 240.20-35.60 |
| May | 242.50-45.00 | 248.00-48.00 | 245.00-41.60 |
| Aug | 250.20-51.00 | 254.00-56.00 | 251.00-49.80 |
| Oct | 259.40-59.60 | 265.00-64.00 | 260.20-57.00 |
| Dec | 265.00-67.00 | 271.00-71.40 | 266.00 |
| Mar | 279.00-80.00 | 285.00-85.00 | — |
| May | 286.00-88.00 | — | — |

Sales: No. 4 3,543 (2,817); No. 6 521 (565) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £247.00 (£251.25) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for November 30: Daily price 8.53 (8.42); 15-day average 8.31 (8.32).

LONDON DAILY PRICE—Raw sugar £139.00 (£143.00) a tonne for Nov-Dec shipment. White sugar £156.50 (£161.50).

The market was immediately on the defensive following the weak overnight close and losses of some £2 were recorded over the day, reports C. Czarnikow.

### COTTON

LIVERPOOL—Spot and shipment sales amounted to 705 tonnes. Business was extensive and purchases ranged over numerous qualities. Operations were centred on American type varieties with interest displayed in Turkish and African styles.

### WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 537.5, 540.0, 539.5-537.0; March 561.0, 563.0, 563.0-559.5; May 575.0, 576.0, 575.0; July 585.0, 588.0, 588.0-585.0; Oct 580.0, 585.0, untraded; Dec 591.0, 592.0, 591.0; March 601.0, 609.0, untraded; May 610.0, 622.0, untraded. Sales: 24.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 403, 410, nil; Jan 405, 406, 404-403; March 415, 416, 415-413; May 423, 425, 422; Aug 436, 440, 438-435; Oct 438, 443, 440; Dec 442, 445, 442; Jan 442, 446, nil; March 448, 450, 452; May 452, 454, nil. Sales: 51.

### MEAT/FISH

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 82.5-88.0. Lamb—English small 64.0-68.0, medium 62.0-66.0, heavy 58.0-60.0; Imported: New Zealand PL 59.5-60.0, PX 57.0-57.5. Pork—English under 100 lb 49.0-56.0, 100-120 lb 49.5-54.0, 120-160 lb 40.0-53.0.

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 98.74p per kg lw (−0.70). GB—Sheep 147.62p per kg est dcw (+7.37). GB—Pigs 80.32p per kg lw (−1.35).

COVENT GARDEN — Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Satsumas — Spania: 2.70-3.40. Clementines—Corsican: 2.80-3.40; Spania: 82/120 4.40-4.60, 132/168 4.00-4.20, 182/210 3.80-4.00; Moroccan: 1's 5.00, 2's 4.80, 3's 4.50, 4's 4.20, 5's 4.00. Oranges—Spania: 42/48/54/60 5.30-5.50, 70/80/90 5.50-5.80, 100/110/120 5.60-6.00; Outspan: Valencia Lates 56 7.70, 72 7.70, 88 7.60, 112 6.60, 138 6.30, 150 5.30; Greek: 15 kg 4.50-5.00; Moroccan: 48 4.80, 54 5.00, 63 5.20, 70 5.40, 80 5.60, 96 5.80. Lemons — Italian: Carton 5.50-6.00; Cyprus: 10-kg boxes 3.50-4.80; Greek: 10-kg 4.00-4.50, 15-kg 6.50-7.50; Spania: 5-kg 2.00-2.20; Jaffa: 15-kg 4.60-6.25; Outspan 15-kg 4.00-5.00. Grapefruit—Cuban: 3.00-3.50, Pink 4.00-5.00; Jaffa: 32 4.50, 36 4.80, 40 4.60, 48 4.40, 56 4.00, Sunrise 23 5.60, 32 6.20, 36 6.40, 40 6.40, 48 6.20, 56 6.00, Red Blush 32 5.90, 36 6.00, 40 6.00, 48 5.60, 56 5.20; U.S. Ruby 7.50-9.00; Cyprus: 32 5.00, 40/48 4.50-4.80, 56/64 4.00-4.20. Apples — French: Golden Delicious carton 6.20-7.00, Granny Smith carton 8.00-8.50, Starkcrimson carton 6.00-6.50; Italian: 21kg Golden Delicious 5.50-6.00, Starkling 6.50; Hungarian: Red Delicious 19-kg approx 7.00-7.20; U.S. Red Delicious new season carton 12.00-13.00; Canadian: 20-lb Spartan 3.70-4.00, McIntosh Reds 3.70-4.00. Pears — Per pound Italian: Williams 0.23-0.26; Passacrassana 0.12-0.14. Grapes—Italian: Per pound, Italia 0.32-0.38; Spanish: Italia 0.32-0.38, Almeria 0.23-0.26, Napoleon 0.25-0.27. Melons—Spanish: 10-kg Green 3.00-5.00, 15-kg Green 6.00-8.00; Israeli: Galia 4.00-4.50, Ogen 4.00-4.50. Bananas — Colombian: 40-lb boxes 10.30-10.50. Avocados—Canary: 3.80-4.50; Israeli: 3.00-3.50. Pineapples—Each: Ivory Coast: D 0.45, C 0.70-0.75, B 0.90-1.00, A 1.50-1.60; Cape: 8's 0.35-0.40, 8's 0.40-0.45, 7's 0.50-0.55, 6's 0.70-0.75, 5's 0.80-0.85, 4's 1.00-1.10; Ghana: Each 1.40-1.60. Paw Paws—Brazilian: 6.00-6.50. Mangoes — Kenyan: 8.00-8.50; Brazilian: 8.50-9.00. Fennel—Italian: 9-kg 4.00-4.50. Figs—Smyrna: 48's x 8 oz 9.00-9.20. Kiwifruit — New Zealand. 6.50. Tomatoes—Spanish: Tray 1.80-2.40; Canary: Tray 2.40-3.00; Spanish Beefsteak 3.00-3.50; Dutch Beefsteak 5.00-5.20. Aubergines—Canary: 4.00-4.50; Israeli: 5.50-6.00; Cyprus 3.50-4.00. Onions — Spanish: 25-kg nets Zaragoza 5.50-5.60; Dutch: 45/80 mm 4.00-4.20, 60/80 mm 4.60-4.80; Polish: 4.80-5.00. Capsicums—Dutch: Yellow 6.50-7.00, Green 4.80-5.00, Red 5.20-5.40; Israeli: Green 3.80-4.00, Yellow 4.00-4.50; Spanish: Green 2.50-3.00, Red 3.00-3.50, Yellow 3.00-3.20.

### INDICES

**FINANCIAL TIMES**

| Nov. 30 | Nov. 29 | M'th ago | Y'ar ago |
|---|---|---|---|
| 288.10 | 288.83 | 285.85 | 232.29 |

(Base: July 1 1952=100)

**REUTERS**

| Dec. 1 | Nov. 30 | M'th ago | Y'ar ago |
|---|---|---|---|
| 1935.0 | 1942.2 | 1872.4 | 1577.1 |

(Base: September 18 1931=100)

**MOODY'S**

| Nov. 30 | Nov. 29 | M'th ago | Yearago |
|---|---|---|---|
| 1035.6 | 1026.3 | 1014.4 | 992.3 |

(Base: December 31 1974=100)

**DOW JONES**

| Dow Jones | Nov. 30 | Nov. 29 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 138.46 | 137.62 | 135.14 | 131.28 |
| Fut's | 145.43 | 145.53 | 142.08 | 137.46 |

(December 31 1931=100)

## AMERICAN MARKETS

NEW YORK, December 1.

Precious metals were weak most of the day on profit-taking and speculative selling; late in the day gold and silver recovered some of their losses with technical support accounting for most of the buying; gold closed with moderate losses while trade support helped silver to post net gains. Copper was fractionally lower after it had to absorb massive arbitrage selling against sterling; the market found some commission house support at the day's low levels. Heating oil rallied sharply as industry reports on distillate stocks were surprisingly constructive: the market has risen ahead of Opec meetings in anticipation of positive action favouring high prices. Sugar prices declined on reports of India offering 18 cargoes in world markets: the market is in an important support area which has to hold in order to justify bullish expectations. Cocoa prices sold off moderately on origin selling and arbitrage; the volume of trading was light with the trade on the sidelines awaiting confirmation of crop prospects. Coffee prices were very strong on stop-loss buying by commission houses while the trade was on the selling side; the nearby months were again the strongest reflecting concern about the adequacy of deliverable supplies. Cotton was strong on trade support as a result of high export figures, local and commission house selling turned into late short-covering to establish large gains, reported Heinold Commodities.

### NEW YORK

**COCOA 10 tonnes, $/tonnes**

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 2204 | 2214 | 2172 | 2212 |
| March | 2218 | 2224 | 2175 | 2224 |
| May | 2232 | 2235 | 2188 | 2237 |
| July | 2235 | 2235 | 2200 | 2240 |
| Sept | 2218 | 2210 | 2210 | 2253 |

**COFFEE "C" 37,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 152.72 | 52.95 | 51.00 | 50.78 |
| March | 146.50 | 46.75 | 44.41 | 44.01 |
| May | 140.77 | 40.80 | 39.25 | 38.78 |
| July | 137.25 | 37.80 | 36.50 | 36.00 |
| Sept | 134.80 | 35.80 | 33.85 | 33.50 |
| Dec | 132.75 | 32.99 | 32.76 | 31.75 |
| March | 131.38 | 31.00 | 31.00 | 30.13 |

**COPPER 25,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 65.75 | 66.15 | 65.30 | 65.85 |
| Jan | 66.30 | 66.20 | 66.20 | 66.50 |
| Feb | 67.09 | 67.10 | 67.10 | 67.15 |
| March | 67.65 | 68.05 | 67.15 | 67.80 |
| May | 69.00 | 69.40 | 68.50 | 69.15 |
| July | 70.35 | 70.80 | 69.90 | 70.55 |
| Sept | 71.70 | 71.80 | 71.50 | 71.90 |
| Dec | 73.75 | 74.00 | 73.55 | 73.95 |
| Jan | 74.45 | — | — | 74.65 |

**COTTON 50,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 76.50 | 76.75 | 76.35 | 76.30 |
| March | 79.79 | 80.11 | 79.71 | 79.68 |
| May | 81.02 | 81.30 | 81.00 | 80.98 |
| July | 81.75 | 81.96 | 81.70 | 81.79 |
| Oct | 76.20 | 76.20 | 76.20 | 76.20 |
| Dec | 74.87 | 74.98 | 74.80 | 74.85 |
| March | 76.05 | — | — | 76.00 |
| May | 76.50 | — | — | 76.50 |

**CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrel**

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 29.00 | — | — | 29.00 |
| Jan | 29.30 | 29.38 | 29.25 | 29.23 |
| Feb | 29.01 | 29.07 | 28.96 | 28.91 |
| March | 28.89 | 28.94 | 28.83 | 28.80 |
| April | 28.88 | 28.88 | 28.80 | 28.80 |
| May | 28.80 | 28.85 | 28.78 | 28.76 |
| June | 29.00 | 28.83 | 28.82 | 28.66 |
| July | 29.00 | — | — | 28.66 |
| August | 29.00 | — | — | — |
| Sept | 29.00 | 28.95 | 28.95 | 29.00 |

**GOLD 100 troy oz, $/troy oz**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 401.2 | 402.0 | 397.5 | 403.0 |
| Feb | 406.9 | 407.5 | 403.0 | 409.0 |
| April | 413.7 | 415.0 | 410.0 | 415.9 |
| June | 420.5 | 421.0 | 416.8 | 422.8 |
| August | 427.7 | 428.5 | 425.0 | 430.0 |
| Oct | 435.1 | 434.5 | 431.0 | 437.5 |
| Dec | 442.6 | 442.5 | 438.0 | 445.1 |
| Feb | 406.9 | 407.5 | 403.0 | 409.0 |
| April | 457.9 | — | — | 460.5 |
| June | 465.8 | 466.0 | 466.0 | 468.5 |
| August | 474.0 | — | — | 476.8 |
| Oct | 482.3 | 482.0 | 481.5 | 485.2 |
| Jan | 403.9 | — | — | 405.9 |

**HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons**

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Jan | 78.25 | 78.40 | 77.75 | 77.44 |
| Feb | 77.20 | 77.50 | 76.70 | 76.43 |
| March | 75.35 | 75.45 | 74.80 | 74.58 |
| April | 74.00 | 74.20 | 73.75 | 73.50 |
| May | 73.50 | 73.90 | 73.25 | 72.80 |
| June | 73.95 | 73.95 | 73.65 | 72.80 |
| July | 73.75 | 73.80 | 73.75 | 73.60 |
| August | 75.00 | — | — | 75.00 |
| Sept | 77.00 | — | — | 76.00 |
| Oct | 78.00 | — | — | — |

**ORANGE JUICE 15,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Jan | 123.85 | 24.50 | 23.70 | 24.10 |
| March | 122.10 | 22.70 | 22.10 | 22.55 |
| May | 121.35 | 21.80 | 21.70 | 21.75 |
| July | 121.25 | — | — | 21.80 |
| Sept | 121.25 | — | — | 21.40 |
| Nov | 119.35 | 19.50 | 19.50 | 19.75 |
| Jan | 114.90 | — | — | 14.90 |
| March | 114.90 | — | — | 14.90 |
| May | 114.90 | — | — | — |

**PLATINUM 50 troy oz, $/troy oz**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 407.2 | — | — | 409.2 |
| Jan | 409.2 | 409.5 | 405.5 | 411.2 |
| April | 415.5 | 416.0 | 412.0 | 417.2 |
| July | 421.5 | 422.0 | 418.5 | 423.2 |
| Oct | 428.0 | 428.3 | 425.5 | 429.7 |
| Jan | 435.0 | — | — | 436.7 |
| April | 441.0 | — | — | — |

**SILVER 5,000 troy oz, cents/troy oz**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 967.3 | 970.0 | 940.0 | 962.0 |
| Jan | 975.0 | 965.0 | 964.0 | 970.0 |
| Feb | 982.5 | — | — | 977.5 |
| March | 990.0 | 992.0 | 963.0 | 985.0 |
| May | 1007.0 | 1009.5 | 981.0 | 1002.3 |
| July | 1024.1 | 1028.0 | 998.0 | 1019.3 |
| Sept | 1041.8 | 1042.0 | 1028.0 | 1037.3 |
| Dec | 1068.8 | 1080.0 | 1046.0 | 1064.8 |
| Jan | 1077.8 | 1080.0 | 1060.0 | 1073.3 |

**SUGAR WORLD "11" 112,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Jan | 8.88 | 8.96 | 8.80 | 9.08 |
| March | 9.36 | 9.49 | 9.30 | 9.57 |
| May | 9.64 | 9.79 | 9.62 | 9.86 |
| July | 9.94 | 10.09 | 9.92 | 10.13 |
| Sept | 10.18 | 10.22 | 10.18 | 10.28 |
| Oct | 10.33 | 10.47 | 10.31 | 10.45 |
| Jan | 10.70 | 10.65 | 10.65 | 10.80 |
| March | 11.28 | 11.40 | 11.28 | 11.38 |

### CHICAGO

**LIVE CATTLE 40,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 63.22 | 63.50 | 63.20 | 63.42 |
| Feb | 62.72 | 63.00 | 62.55 | 62.75 |
| April | 64.75 | 64.95 | 64.40 | 64.57 |
| June | 65.67 | 65.80 | 65.30 | 65.46 |
| August | 64.42 | 64.50 | 64.15 | 64.27 |
| Oct | 62.40 | 62.40 | 62.20 | 62.20 |

**LIVE HOGS 30,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 43.17 | 43.40 | 42.27 | 42.35 |
| Feb | 47.82 | 48.20 | 47.25 | 47.52 |
| April | 47.47 | 47.95 | 47.05 | 47.60 |
| June | 52.57 | 52.95 | 52.06 | 52.42 |
| July | 53.65 | 53.72 | 53.20 | 53.55 |
| August | 53.25 | 53.30 | 52.80 | 53.02 |
| Oct | 52.35 | 52.40 | 51.80 | 52.25 |
| Dec | 53.36 | 53.35 | 53.10 | 53.35 |
| Feb | 53.75 | 53.75 | 53.00 | 53.25 |

**MAIZE 5,000 bu min, cents/56-lb bushel**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 340.4 | 341.2 | 337.4 | 340.4 |
| March | 341.6 | 342.4 | 338.2 | 340.6 |
| May | 341.4 | 342.4 | 338.4 | 340.2 |
| July | 338.0 | 340.0 | 336.4 | 337.6 |
| Sept | 310.4 | 311.0 | 307.6 | 308.2 |
| Dec | 291.0 | 291.0 | 288.4 | 289.2 |

**PORK BELLIES 38,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Feb | 60.30 | 60.75 | 59.55 | 60.05 |
| March | 60.85 | 61.15 | 60.05 | 60.37 |
| May | 62.55 | 62.80 | 61.85 | 62.30 |
| July | 63.45 | 63.75 | 62.80 | 63.07 |
| August | 62.10 | 62.50 | 61.80 | 62.00 |

**SOYABEANS 5,000 bu min, cents/60-lb bushel**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Jan | 814.0 | 814.0 | 798.0 | 796.4 |
| March | 828.0 | 820.0 | 805.0 | 812.6 |
| May | 839.0 | 838.0 | 818.0 | 822.0 |
| July | 836.0 | 835.0 | 814.4 | 822.6 |
| August | 813.0 | 813.0 | 813.0 | 821.0 |
| Sept | 749.0 | 749.0 | 798.0 | 799.0 |
| Nov | 694.4 | 696.0 | 738.0 | 740.4 |
| Jan | 707.0 | 707.0 | 684.4 | 686.0 |
| March | 721.0 | — | 698.0 | 699.0 |

**SOYABEAN MEAL 100 tons, $/ton**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 225.6 | 225.6 | 221.0 | 223.2 |
| Jan | 227.2 | 227.6 | 222.6 | 224.7 |
| March | 229.0 | 229.5 | 224.5 | 226.8 |
| May | 229.0 | 229.5 | 224.5 | 225.7 |
| July | 228.8 | 228.8 | 223.3 | 225.5 |
| August | 222.0 | 224.0 | 218.0 | 219.0 |
| Sept | 214.0 | 214.0 | 207.0 | 210.0 |
| Oct | 193.0 | 193.0 | 188.0 | 191.5 |
| Dec | 193.0 | 194.0 | 189.0 | 191.5 |
| Jan | 191.5 | 192.0 | 191.5 | 191.0 |

**SOYABEAN OIL 60,000 lb, cents/lb**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 27.48 | 27.50 | 26.75 | 26.80 |
| Jan | 27.87 | 27.70 | 26.87 | 27.20 |
| March | 28.17 | 28.20 | 27.35 | 27.50 |
| May | 28.37 | 28.40 | 27.60 | 27.74 |
| July | 28.28 | 28.40 | 27.60 | 27.80 |
| August | 28.00 | 28.05 | 27.30 | 27.45 |
| Sept | 26.60 | 26.60 | 26.45 | 26.20 |
| Oct | 25.60 | 25.60 | 25.35 | 25.50 |
| Dec | 25.40 | 25.40 | 24.86 | 25.30 |

**WHEAT 5,000 bu min, cents/60lb-bushel**

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 347.6 | 348.0 | 344.0 | 343.2 |
| March | 359.4 | 359.6 | 356.2 | 356.8 |
| May | 358.0 | 358.0 | 356.4 | 355.0 |
| July | 342.6 | 343.0 | 340.2 | 339.2 |
| Sept | 349.2 | 349.2 | 346.6 | 346.0 |
| Dec | 361.0 | 361.0 | 359.0 | 358.4 |

SPOT PRICES—Chicago loose lard 17.50 (same) cents per pound. New York tin 593.0-99.0 (597.0-602.0) cents per pound.

# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

# Dollar recovers from weak start

The dollar improved from early levels in the foreign exchange market yesterday to finish largely unchanged from Wednesday's close. Initial trading saw the dollar lose ground, following Wednesday's losses in New York. The dollar was still suffering as the market unwound long dollar positions after worse than expected U.S. trade figures. However the initial bearish trend soon gave way to caution. Recently, the dollar has often threatened to sustain a downward momentum only to rebound and catch many operators short.

Against this background most traders in Europe were content to mark time and wait and see what happened after the opening of U.S. markets. Trading volume was quite good but was confined to short flurries. Dealers expressed surprise that the dollar had failed to benefit initially from the softer tone in Wednesday's U.S. bond market which followed only limited Federal intervention to boost money market liquidity. Nevertheless the market appeared to be in no mood to accept a sustained decline in the dollar without first seeing a change in the fundamentals currently underpinning it. On Bank of England figures, the dollar's trade weighted index rose to 128.4 from 128.2 on Wednesday and 124.8 six months ago.

The dollar closed at DM 2.7030 against the D-mark up from Wednesday's close of DM 2.70. It was unchanged against the Swiss franc and Japanese yen at SwFr 2.1640 and Y232.55 respectively and improved to FFr 8.2175 from FFr 8.2075 against the French franc.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. December average 1.4773. Trade weighted index 82.9 unchanged from noon and compared with 83.0 at the opening, 83.1 on Wednesday and 87.4 six months ago. The pound is a little weaker against the dollar and European currencies but remains underpinned by the Middle East conflict and its possible effect on Western oil supplies.

Sterling lost ground against most major currencies. Much of the day's losses occured in the last half hour with dealers suggesting a switch out of sterling into D-marks. There may have been some light support by the Bank of England in order to smooth out late fluctuations. The pound closed at $1.4570-1.4580 against the dollar, a fall of 55 points from Wednesday's close. Against the D-mark it slipped to DM 3.9425 from DM 3.9525 and SwFr 3.1550 compared with SwFr 3.1675. It was also down against the French franc at FFr 11.9750 from FFr 12.0050 and Y339.25 compared with Y340.5.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. November average 2.6847. Trade-weighted index 124.8 against 127.5 six months ago. The Bundesbank was active on the foreign exchanges as the dollar rose to DM 2.6980 from DM 2.6970 at the Frankfurt fixing. There was a general lack of news to influence trading, but the U.S. currency was helped by speculation about a rise in M1 money supply this month, and by Treasury auctions to fund the large U.S. budget deficit. The Dutch guilder improved to DM 89.315 per 100 D-marks from DM 89.275; the Swiss franc to DM 1.2502 from DM 1.2473; and the French franc to DM 32.905 per 100 francs from DM 32.885. Sterling fell to DM 3.9450 from DM 3.9490.

JAPANESE YEN — Trading range against the dollar in 1983 is 246.90 to 226.80. November average 235.06. The yen improved against the dollar in Tokyo, with the U.S. currency falling to Y232.60 from Y234.15, but the trend over most of the day was for the dollar to rise after opening at Y232.40, and touching a low of Y232.35. It was the first time since late October that the dollar had fallen below Y233, reflecting higher Euroyen and domestic money market interest rates. The governor of the Bank of Japan said he favoured a firmer yen to restrain a sharp rise in Japan's current account surplus. The recent agreement with the U.S. to bring about a more realistic exchange rate for the yen has helped to support the Japanese currency against the dollar. It has also pushed the yen to record levels against several European currencies including the D-mark, although the D-mark was slightly firmer yesterday at Y86.70, compared with Y86.55.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU December 1 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc ... | 44.9008 | 45.9143 | +2.26 | +1.70 | ±1.5447 |
| Danish Krone ... | 8.14104 | 8.17181 | +0.38 | −0.18 | ±1.6425 |
| German D-Mark | 2.24184 | 2.26145 | +0.87 | +0.31 | ±1.0842 |
| French Franc ... | 6.87456 | 6.87530 | +0.01 | −0.55 | ±1.4052 |
| Dutch Guilder ... | 2.52595 | 2.53223 | +0.25 | −0.31 | ±1.4964 |
| Irish Punt ...... | 0.72569 | 0.727418 | +0.24 | −0.32 | ±1.6689 |
| Italian Lira ...... | 1403.49 | 1370.28 | −2.37 | −2.37 | ±4.1505 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### £ in New York—Latest

| | Dec. 1 | Previous |
|---|---|---|
| Spot | $1.4555-4565 | $1.4625-4635 |
| 1 month | 0.07-0.11 dis | 0.08-0.11 dis |
| 3 months | 0.21-0.26 dis | 0.21-0.24 dis |
| 12 months | 0.95-1.10 dis | 0.93-1.03 dis |

£ forward rates are quoted in U.S. cents discount.

### THE POUND SPOT AND FORWARD

| Dec 1 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.4560-1.4655 | 1.4570-1.4580 | 0.08-0.13c dis | −0.86 | 0.20-0.25dis | −0.62 |
| Canada | 1.8055-1.8165 | 1.8065-1.8075 | 0.04-0.14c dis | −0.60 | 0.10-0.20dis | −0.33 |
| Nethlnd | 4.40-4.43 | 4.40½-4.41½ | 1½-⅞c pm | 3.06 | 3½-3 pm | 2.95 |
| Belgium | 79.80-80.15 | 79.85-79.95 | 8-18c dis | −1.95 | 35-45 dis | −2.00 |
| Denmark | 14.22-14.26 | 14.22-14.23 | 1.60-2.85ore dis | −1.96 | 3.60-4.75dis | −1.17 |
| Ireland | 1.2660-1.2720 | 1.2670-1.2680 | 0.30-0.36p dis | −3.12 | 0.83-0.96dis | −2.82 |
| W. Ger. | 3.93¾-3.95¼ | 3.93¾-3.94¾ | 1⅞-⅝pf pm | 3.04 | 3⅝-2⅞ pm | 3.04 |
| Portugal | 187.50-189.00 | 187.50-188.00 | 125-340c dis | −14.86 | 465-985dis | −15.46 |
| Spain | 226.25-227.50 | 226.30-226.50 | 200-230c dis | −11.39 | 620-685dis | −11.53 |
| Italy | 2,382-2,391 | 2,383½-2,385½ | 13½-15¼ lire dis | −7.17 | 44-47 dis | −7.63 |
| Norway | 10.91-10.97 | 10.91½-10.92½ | 3.80-4.50ore dis | −4.56 | 9.45-10.20dis | −3.60 |
| France | 11.96-12.01 | 11.97-11.98 | 3-4c dis | −3.51 | 10⅝-11¼dis | −3.76 |
| Sweden | 11.58-11.64 | 11.59½-11.60½ | 2.50-3.05ore dis | −2.87 | 7.45-8.05dis | −2.67 |
| Japan | 338-342 | 339¾-339¾ | 0.70-0.60y pm | 2.30 | 2.20-2.10 pm | 2.53 |
| Austria | 27.70-27.90 | 27.73-27.78 | 7½-6⅝gro pm | 2.97 | 21⅞-17⅞ pm | 2.81 |
| Switz. | 3.14½-3.17 | 3.15-3.16 | 1⅝-1½c pm | 5.23 | 4⅝-3¾ pm | 5.07 |

Belgian rate is for convertible francs. Financial franc 80.80-80.90. Six-month forward dollar 0.42-0.47c dis, 12-month 0.92-1.02c dis.

### THE DOLLAR SPOT AND FORWARD

| Dec 1 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.4560-1.4655 | 1.4570-1.4580 | 0.08-0.13c dis | −0.86 | 0.20-0.25dis | −0.62 |
| Ireland† | 1.1495-1.1535 | 1.1510-1.1515 | 0.24-0.21c pm | 2.35 | 0.66-0.59 pm | 2.17 |
| Canada | 1.2380-1.2400 | 1.2395-1.2400 | 0.05-0.03c pm | 0.39 | 0.11-0.09 pm | 0.32 |
| Nethlnd. | 3.0180-3.0260 | 3.0240-3.0260 | 0.97-0.87c pm | 3.65 | 2.80-2.65 pm | 3.61 |
| Belgium | 54.70-54.86 | 54.80-54.82 | 3½-5c dis | −0.93 | 14-18 dis | −1.17 |
| Denmark | 9.7300-9.7700 | 9.7650-9.7700 | 0.70-1.20ore dis | −1.17 | 1.00-1.50dis | −0.51 |
| W. Ger. | 2.6910-2.7050 | 2.7025-2.7035 | 0.81-0.76pf pm | 3.48 | 2.45-2.40 pm | 3.59 |
| Portugal | 128.70-129.30 | 129.00-129.30 | 80-220c dis | −13.97 | 300-650dis | −14.74 |
| Spain | 155.10-155.45 | 155.30-155.40 | 130-150c dis | −10.82 | 400-450dis | −10.95 |
| Italy | 1,631½-1,637 | 1,635½-1,636½ | 8.60-9.10 lire dis | −6.50 | 28.10-28.85d | −6.98 |
| Norway | 7.4850-7.4975 | 7.4900-7.4950 | 2.20-2.50ore dis | −3.77 | 5.35-5.65dis | −2.94 |
| France | 8.1800-8.2200 | 8.2150-8.2200 | 1.70-1.80c dis | −2.56 | 6.30-6.60dis | −3.14 |
| Sweden | 7.9455-7.9575 | 7.9520-7.9570 | 1.30-1.50ore dis | −2.11 | 3.90-4.10dis | −2.01 |
| Japan | 232.30-233.00 | 232.50-232.60 | 0.57-0.53y pm | 2.83 | 1.83-1.78 pm | 3.10 |
| Austria | 18.98-19.04 | 19.02½-19.03½ | 6.10-5.50gro pm | 3.65 | 17½-15½ pm | 3.46 |
| Switz. | 2.1530-2.1665 | 2.1635-2.1645 | 1.05-1.00c pm | 5.68 | 3.10-3.05 pm | 5.68 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.45-55.50.

### OTHER CURRENCIES

| Dec. 1 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso... | 28.08-28.15 | 19.27-19.30 | Austria | 27.65-27.95 |
| Australia Dollar... | 1.5520-1.5610 | 1.0640-1.0695 | Belgium | 80.70-81.50 |
| Brazil Cruzeiro... | 1,306.9-1,312.7 | 898-900 | Denmark | 14.18-14.32 |
| Finland Markka... | 8.4100-8.4300 | 5.7750-5.7780 | France | 11.93-12.05 |
| Greek Drachma... | 141.65-142.10 | 97.00-97.10 | Germany | 3.92½-3.96½ |
| Hong Kong Dollar | 11.374-11.394 | 7.8065-7.8085 | Italy | 2370-2400 |
| Iran Rial | 128.00* | 88.00* | Japan | 339-344 |
| Kuwait Dinar (KD) | 0.4255-0.4270 | 0.29185-0.29195 | Netherlands | 4.39½-4.43½ |
| Luxembourg Fr. | 79.85-79.95 | 54.80-54.82 | Norway | 10.91-11.01 |
| Malaysia Dollar... | 3.4080-3.4140 | 2.3395-2.3415 | Portugal | 189-197 |
| New Zealand Dlr. | 2.2020-2.2070 | 1.5115-1.5140 | Spain | 226¼-236½ |
| Saudi Arab. Riyal | 5.0880-5.0935 | 3.4905-3.4915 | Sweden | 11.57-11.67 |
| Singapore Dollar | 3.1000-3.1086 | 2.1275-2.1295 | Switzerland | 3.14-3.17 |
| Sth. African Rand | 1.7470-1.7480 | 1.1985-1.1995 | United States | 1.45½-1.47½ |
| U.A.E. Dirham | 5.3560-5.3735 | 3.6720-3.6730 | Yugoslavia | 212-226 |

* Selling rates.

### CURRENCY RATES

| Dec. 1 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling | — | 0.718423 | 0.573348 |
| U.S. $ | 8½ | 1.05055 | 0.838350 |
| Canadian$ | 9.63 | * | 1.03863 |
| Austria Sch | 3¾ | 19.9710 | 15.9370 |
| Belgian F | 10 | 57.5071 | 45.9143 |
| Danish Kr. | 7 | 10.2339 | 8.17181 |
| D mark | 4 | 2.83438 | 2.26145 |
| Guilder | 5 | 3.17371 | 2.53223 |
| French F. | 9½ | 8.61714 | 6.87530 |
| Lira | 17 | 1717.12 | 1370.28 |
| Yen | 5 | 244.410 | 195.210 |
| Norwgn Kr. | 8 | 7.86967 | 6.27966 |
| Spanish Pta | — | 163.021 | 130.154 |
| Swedish Kr | 8½ | 8.34504 | 6.65697 |
| Swiss Fr | 4 | 2.26709 | 1.81000 |
| Greek Dr'ch | 20½ | 101.961 | 81.3367 |

* C$/SDR rate for Nov 30: 1.30188

### CURRENCY MOVEMENTS

| Dec. 1 | Bank of England Index | Morgan Guaranty Changes% |
|---|---|---|
| Sterling | 82.9 | −8.1 |
| U.S. dollar | 128.4 | +16.6 |
| Canadian dollar | 92.1 | +0.7 |
| Austrian schilling | 115.4 | +5.1 |
| Belgian franc | 90.0 | −11.6 |
| Danish kroner | 79.0 | −5.6 |
| Deutsche mark | 124.8 | +6.9 |
| Swiss franc | 151.3 | +13.8 |
| Guilder | 115.0 | +4.4 |
| French franc | 66.7 | −15.0 |
| Lira | 49.2 | −11.7 |
| Yen | 155.5 | +12.1 |

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

### EXCHANGE CROSS RATES

| Dec. 1 | Pound St'rling | U.S. Dollar | Deutschem'k | Japanese Yen | French Franc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.458 | 3.943 | 339.3 | 11.975 | 3.156 | 4.410 | 2386. | 1.807 | 79.90 |
| U.S. Dollar | 0.686 | 1. | 2.703 | 232.6 | 8.218 | 2.164 | 3.025 | 1636. | 1.240 | 54.81 |
| Deutschemark | 0.254 | 0.370 | 1. | 86.05 | 3.037 | 0.800 | 1.119 | 604.8 | 0.458 | 20.27 |
| Japanese Yen 1,000 | 2.948 | 4.298 | 11.62 | 1000. | 35.30 | 9.300 | 13.00 | 7029. | 5.326 | 235.5 |
| French Franc 10 | 0.835 | 1.217 | 3.292 | 283.3 | 10. | 2.635 | 3.683 | 1991. | 1.509 | 66.72 |
| Swiss Franc | 0.317 | 0.462 | 1.250 | 107.5 | 3.796 | 1. | 1.398 | 755.8 | 0.573 | 25.32 |
| Dutch Guilder | 0.227 | 0.330 | 0.894 | 76.93 | 2.715 | 0.715 | 1. | 540.7 | 0.410 | 18.12 |
| Italian Lira 1,000 | 0.419 | 0.611 | 1.653 | 142.3 | 5.022 | 1.323 | 1.849 | 1000. | 0.758 | 33.51 |
| Canadian Dollar | 0.553 | 0.807 | 2.182 | 187.7 | 6.627 | 1.746 | 2.441 | 1320. | 1. | 44.22 |
| Belgian Franc 100 | 1.252 | 1.824 | 4.934 | 424.6 | 14.99 | 3.949 | 5.519 | 2984. | 2.262 | 100. |

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Dec. 1 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Kroner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 9-9⅛ | 9-9¼ | 9-9¼ | 5¾-5⅞ | ¾-1 | 5⅝-5¾ | 11⅞-12⅛ | 15-16 | 10-10½ | 10-10½ | 6½-6⅝ | 10¼-10¾ |
| 7 day's notice | 9-9⅛ | 9⅛-9⅜ | 9-9¼ | 5⅞-6 | 1⅜-1⅝ | 5 11/16-5 13/16 | 12-12¼ | 15½-16½ | 10¾-11¼ | 10-10½ | 6⅝-6¾ | 10⅞-11⅜ |
| Month | 9 1/16-9 3/16 | 9⅝-9⅞ | 9⅛-9 7/16 | 6 1/16-6 3/16 | 4-4⅛ | 6 1/16-6 3/16 | 12-12¼ | 15⅞-16⅝ | 10¾-11¼ | 10½-10⅞ | 6¾-6⅞ | 11⅝-12⅛ |
| Three months | 9 5/16-9 7/16 | 9 11/16-9 13/16 | 9⅜-9 11/16 | 6 1/16-6 3/16 | 3 15/16-4 1/16 | 6 1/16-6 3/16 | 12 15/16-13 1/16 | 16⅝-17⅛ | 11-11½ | 10¾-11 | 6 5/16-6 7/16 | 11¼-11¾ |
| Six months | 9 7/16-9 9/16 | 9⅞-10⅛ | 9 5/16-9¾ | 6¼-6⅜ | 4⅛-4¼ | 6 5/16-6 7/16 | 13 15/16-14 1/16 | 17½-18 | 11-11½ | 11-11¼ | 6 5/16-6 7/16 | 11¼-11¾ |
| One Year | 9 11/16-9 13/16 | 10¼-10½ | 9 11/16-10 | 6 7/16-6 9/16 | 4 3/16-4 5/16 | 6 7/16-6 9/16 | 14 1/16-14 3/16 | 18-18⅝ | 11-11½ | 11-11¼ | 6⅝-6¾ | 11¼-11¾ |

Asian $ (closing rates in Singapore): Short-term 9 5/16-9 7/16 per cent; seven days 9 5/16-9 7/16 per cent; one month 9 11/16-9 13/16 per cent; three months 9¾-9⅞ per cent; six months 9 15/16-10 1/16 per cent; one year 10⅛-10⅜ per cent. Long-term Eurodollar two years 11¼-11⅝ per cent; three years 11½-11⅞ per cent; four years 11⅞-12¼ per cent; five years 12⅛-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

## FINANCIAL FUTURES

# Softer tone

Prices had a slightly softer tone on the London International Financial Futures Exchange yesterday in rather subdued trading. Traders suggested that the market lacked direction, with gilts for December delivery declining to 110.00 from 110.08, while the March contract fell to 109.10 from 109.19. The lack of movement partly reflected quiet cash trading, where prices fell by about ⅛ point.

The three-month sterling contract was also quiet, with most activity concentrated on March delivery as December nears maturity. March fell one point to 90.53, after touching a peak of 90.56 on renewed buying interest in the afternoon. The December contract rose to 90.90 from 90.89, while June was unchanged at 90.31.

Eurodollars finished steady, after moving in a narrow range. Lack of movement in the cash market was again a factor behind the quiet trading, while the opening of the Chicago markets also failed to provide any impetus. March was the most active month, opening at 89.87, and falling to a low of 89.85 before closing at 89.86, compared with 89.90 previously.

Sterling was the most active currency, with March delivery falling to 1.4602 from 1.4657, but all futures contracts were restricted to a limited range by the lack of economic data from the U.S., ahead of today's M1 money supply figure, which is expected to be up about $500m. Unemployment figures for November are also due for publication today.

### LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 90.32 | 90.34 | 90.29 | 90.32 |
| March | 89.86 | 89.89 | 89.85 | 89.90 |
| June | 89.54 | 89.56 | 89.53 | 89.57 |
| Sept | 89.25 | 89.29 | 89.25 | 89.28 |
| Dec | 88.99 | — | — | 89.00 |

Volume 1,203 (2,995)
Previous day's open int 8,068 (8,420)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 90.90 | 90.90 | 90.89 | 90.89 |
| March | 90.53 | 90.56 | 90.51 | 90.54 |
| June | 90.31 | 90.34 | 90.29 | 90.31 |
| Sept | 90.06 | 90.08 | 90.02 | 90.06 |
| Dec | 89.80 | 89.80 | 89.80 | 89.86 |

Volume 670 (173)
Previous day's open int 4,623 (4,772)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 110-00 | 110-10 | 109-27 | 110-08 |
| March | 109-10 | 109-20 | 109-07 | 109-19 |
| June | 108-29 | — | — | 109-07 |
| Sept | 108-16 | — | — | 108-26 |
| Dec | 108-03 | — | — | 108-12 |

Volume 2,406 (3,738)
Previous day's open int 2,816 (2,972)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 2 to 12 (32nds).

STERLING £25,000 $ per £

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 1.4580 | 1.4641 | 1.4580 | 1.4635 |
| March | 1.4602 | 1.4666 | 1.4602 | 1.4657 |
| June | 1.4625 | 1.4662 | 1.4625 | 1.4680 |

Volume 433 (320)
Previous day's open int 2,417 (2,429)

DEUTSCHE MARKS DM 125,000
$ per DM

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 0.3700 | 0.3715 | 0.3700 | 0.3708 |
| March | 0.3735 | 0.3750 | 0.3734 | 0.3745 |
| June | 0.3770 | 0.3787 | 0.3770 | 0.3780 |

Volume 247 (104)
Previous day's open int 348 (336)

SWISS FRANCS SwFr 125,000
$ per SwFr

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 0.4628 | 0.4645 | 0.4628 | 0.4626 |
| March | 0.4693 | 0.4709 | 0.4690 | 0.4695 |
| June | 0.4764 | — | — | 0.4766 |

Volume 124 (7)
Previous day's open int 126 (114)

JAPANESE YEN Y12.5m $ per Y100

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 0.4302 | 0.4302 | 0.4298 | 0.4305 |
| March | 0.4334 | 0.4339 | 0.4330 | 0.4336 |
| June | 0.4369 | — | — | 0.4371 |

Volume 117 (157)
Previous day's open int 199 (180)

### CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 71-20 | 71-21 | 71-13 | 71-20 |
| March | 71-03 | 71-04 | 70-27 | 71-02 |
| June | 70-16 | 70-18 | 70-10 | 70-17 |
| Sept | 70-00 | 70-02 | 69-27 | 70-02 |
| Dec | 69-18 | 69-19 | 69-14 | 69-20 |
| March | 69-07 | 69-08 | 69-03 | 69-08 |
| June | — | — | — | 68-30 |
| Sept | 68-21 | 68-21 | 68-21 | 68-21 |
| Dec | — | — | — | — |
| March | — | — | — | — |

U.S. TREASURY BILLS (IMM)
$1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 91.07 | 91.08 | 91.05 | 91.07 |
| March | 90.66 | 90.69 | 90.64 | 90.68 |
| June | 90.36 | 90.40 | 90.35 | 90.39 |
| Sept | 90.13 | 90.16 | 90.13 | 90.16 |
| Dec | 89.93 | 89.95 | 89.92 | 89.96 |
| March | 89.75 | 89.76 | 89.75 | 89.76 |
| June | 89.55 | 89.56 | 89.55 | 89.58 |
| Sept | — | — | — | 89.36 |

CERT DEPOSIT (IMM)
$1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 90.55 | 90.56 | 90.53 | 90.55 |
| March | 89.98 | 90.03 | 89.96 | 90.01 |
| June | 89.61 | 89.64 | 89.60 | 89.62 |
| Sept | 89.31 | 89.35 | 89.30 | 89.32 |
| Dec | — | — | — | — |
| March | — | — | — | — |
| Sept | 79.80 | 79.80 | 79.80 | 80.05 |

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 90.04 | 90.05 | 90.02 | 90.04 |
| March | 89.57 | 89.61 | 89.56 | 89.59 |
| June | 89.24 | 89.29 | 89.24 | 89.26 |
| Sept | 88.96 | 89.01 | 88.96 | 88.98 |
| Dec | 88.71 | 88.71 | 88.71 | 88.72 |
| March | 88.42 | 88.42 | 88.42 | 88.43 |

STERLING (IMM) $s per £

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 1.4575 | 1.4630 | 1.4555 | 1.4640 |
| March | 1.4595 | 1.4655 | 1.4575 | 1.4660 |
| June | 1.4615 | 1.4670 | 1.4605 | 1.4685 |
| Sept | 1.4680 | 1.4720 | 1.4660 | 1.4710 |
| Dec | — | — | — | — |
| March | — | — | — | — |

GNMA (CBT) 8% $100,000
32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| Dec | 70-01 | 70-06 | 69-29 | 70-06 |
| March | 68-29 | 69-03 | 68-23 | 69-03 |
| June | 68-00 | 68-05 | 67-25 | 68-06 |
| Sept | 67-05 | 67-12 | 67-02 | 67-13 |
| Dec | 66-16 | 66-23 | 66-13 | 66-24 |
| March | — | — | — | — |
| June | — | — | — | 65-25 |
| Sept | — | — | — | 65-14 |
| Dec | — | — | — | — |



## MONEY MARKETS

# UK rates show little change

UK interest rates showed very little change yesterday. Activity at the longer end of the market remained extremely subdued and there was little demand for funds beyond the shorter term periods. Three-month interbank money was quoted at 9 5/16 per cent, unchanged from Wednesday, while three-month eligible bank bills were bid at 8⅞ per cent compared with 8 55-64ths per cent. Overnight interbank money opened at 8¾-8⅞ per cent and eased to 8 per cent before coming back on late demand to finish at 10 per cent.

Day to day credit was in short supply in the money market with the Bank of England forecasting a shortage of around £250m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £152m and Exchequer transactions a further £231m. A rise in the note circulation accounted for a further £29m with these factors offset partly by bank balances brought forward above target by £140m.

The Bank gave assistance in the morning of £246m through purchases of £72m of eligible bank bills in band 2 (15-33 days) at 9 per cent and £22m in band 3 (34-63 days) at 8 15/16 per cent. In band 4 it bought £1m of local authority bills (64-91 days) at 8⅞ per cent and £151m of eligible bank bills also at 8⅞ per cent. The shortage was later revised to £300m, without taking into account the morning's assistance and the Bank gave additional help in the afternoon through purchases of £61m of eligible bank bills in band 4 at 8⅞ per cent.

In Frankfurt the Bundesbank left its credit policies unchanged after yesterday's meeting of the central council. This was much in line with market expectations.

**UK clearing bank base lending rate 9 per cent (since October 4 and 5)**

### MONEY RATES

| Dec. 1 | Frankfurt | Paris | Zurich | Amst'dam | Tokyo | Milan | Brussels | Dublin |
|---|---|---|---|---|---|---|---|---|
| Overnight | 5.50-5.65 | 12¼ | 1-2 | 5⅝-5⅞ | 5.96875 | 17½-17⅞ | 8.30 | — |
| One month | 6.35-6.50 | 12-12⅛ | 3 15/16-4 1/16 | 6-6⅛ | — | 17½-17⅞ | 10 5/16-10½ | 12-12¼ |
| Two months | 6.35-6.50 | 12 1/16-12 3/16 | 3 15/16-4 1/16 | — | — | 17⅝-18 | — | 12-12¼ |
| Three months | 6.35-6.50 | 12⅛-12¼ | — | 6¼-6⅜ | — | 17¾-18 | 10 13/16-11 1/16 | 12-12¼ |
| Six months | 6.40-6.50 | 12⅛-12¼ | — | 6⅜-6½ | — | — | 10⅞-11⅛ | 12⅜-12⅝ |
| Lombard | 5.5 | — | — | — | — | — | — | — |
| Intervention | — | 12 | — | 5¾ | — | — | — | — |

### LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

| Dec. 1 1983 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Company Deposits | Market Deposits | Treasury (Buy) | Treasury (Sell) | Eligible Bank (Buy) | Eligible Bank (Sell) | Fine Trade (Buy) |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 8-10 | 8¾-8⅞ | 9⅛-9⅛ | 8¾-8⅞ | — | — | — | — | — |
| 2 days notice | — | — | 8¾-8⅞ | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 day notice | — | 8⅞-9 | 8⅞ | 9-9¼ | 9 | — | — | — | — | — |
| One month | 9⅛-9 1/16 | 9 1/16-9⅛ | 9 | 9⅛-9½ | 9 | 9 | 8¾ | 9 | 8 31/32 | 9⅝ |
| Two months | 9 3/16-9⅛ | 9 3/16-9¼ | 9 | 9½ | 9 | 8 15/16 | 8 29/32 | 8 31/32 | 8 29/32 | 9 9/16 |
| Three months | 9 7/16-9 5/16 | 9¼-9 5/16 | 9⅛ | 9⅝ | 9 | 8 27/32 | 8⅞ | 8 27/32 | 8⅞ | 9 9/16 |
| Six months | 9 17/32-9 15/32 | 9 7/16-9½ | 9¼ | — | — | — | — | 8 27/32 | 8 27/32 | 9 9/16 |
| Nine months | 9 21/32-9 19/32 | 9⅝-9¾ | 9⅜ | — | — | — | — | — | — | — |
| One year | 9½-9 7/16 | 9¾-9⅞ | 9½ | — | — | — | — | — | — | — |

| | Local Auth. negotiable bonds | Local Authority Deposits | Finance House Deposits | $ Certs of Deposits | SDR Linked Deposits | ECU Linked Deposits |
|---|---|---|---|---|---|---|
| One month | 9⅜-9⅛ | — | 9 1/16 | 9.4-9.5 | 8¾-9⅛ | 8 11/16-9 1/16 |
| Two months | 9⅝-9⅜ | — | 9 3/16 | 9.45-9.55 | 8 13/16-9 3/16 | 8⅞-9¼ |
| Three months | 9⅝-9⅜ | — | 9 5/16 | 9.55-9.65 | 8⅞-9¼ | 9 1/16-9 7/16 |
| Six months | 9⅜-9⅛ | — | 9½ | 9.75-9.85 | 9 5/16-9 11/16 | 9⅝-9¾ |
| Nine months | 9¾-9⅝ | — | 9⅝ | 9.9-10.1 | — | — |
| One year | 9¾-9½ | — | 9⅞ | 10.05-10.25 | 9 5/16-9 11/16 | 9 11/16-10 1/16 |
| Two years | — | 10⅜ | — | — | — | — |
| Three years | — | 10¾ | — | — | — | — |
| Four years | — | 10⅞ | — | — | — | — |
| Five years | — | 11 | — | — | — | — |

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period October 5 to November 1 1983 (inclusive) 9.393 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 6½ per cent. Treasury Bills: Average tender rate of discount 8.8624 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-six-month 9¾ per cent; six-12-month 10 per cent. Under £100,000 9⅛ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

### FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. December 1)

3 months U.S. dollars

| bid 9 3/4 | offer 9 7/8 |
|---|---|

6 months U.S. dollars

| bid 9 15/16 | offer 10 1/16 |
|---|---|

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

NEW YORK (Lunchtime)

| | |
|---|---|
| Prime rate | 11 |
| Broker loan rate | 10-10½ |
| Fed funds | 9⅞ |
| Fed funds at intervention | 9¾ |

Treasury Bills

| | |
|---|---|
| One month | 8.25 |
| Two month | 8.50 |
| Three month | 8.87 |
| Six month | 9.02 |
| One year | 9.12 |

Treasury Bonds

| | |
|---|---|
| Two year | 99 27/32 |
| Three year | 100 3/32 |
| Four year | 99 11/32 |
| Five year | 99 7/32 |
| Seven year | 99 3/32 |
| 10 year | 100 25/32 |
| 30 year | 102 7/32 |

# WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, November 30 1983. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., E.M.E.A. London
Eurodollar Libor as of November 30 at 11.00 am
3 months: 9⅞ 6 months: 10¼

SDR1=US$1.04961
Sibor as of November 30 at 11.00 am
3 months: 9 15/16 6 months: 10¼

| COUNTRY | CURRENCY | VALUE OF DOLLAR |
|---|---|---|
| Afghanistan | Afghani (O) | 50.60 |
| Albania | Lek | 6.9036 |
| Algeria | Dinar | 4.916 |
| Andorra | Fr. Franc | 8.2145 |
| | Sp. Peseta | 155.35 |
| Angola | Kwanza | 30.214 |
| Antigua | E. Caribbean $ | 2.70 |
| Argentina | New Peso (f) | 18.937 |
| Australia | Dollar | 1.096 |
| Austria | Schilling | 19.039 |
| Azores | Port. Escudo | 129.37 |
| Bahamas | Dollar | 1.00 |
| Bahrain | Dinar | 0.377 |
| Balearic Is. | Sp. Peseta | 155.35 |
| Bangladesh | Taka | 24.50 |
| Barbados | Dollar | 2.0113 |
| Belgium | Franc (C) | 54.55 |
| | Franc (F) | 55.64 |
| Belize | Dollar | 2.00 |
| Benin | C.F.A. Franc | 410.725 |
| Bermuda | Dollar | 1.00 |
| Bhutan | Ind. Rupee | 10.449 |
| Bolivia | Peso | 500.00 |
| Botswana | Pula | 1.1466 |
| Brazil | Cruzeiro (10) | 898.00 |
| Brunei | Dollar | 2.132 |
| Bulgaria | Lev | 0.985 |
| Burma | Kyat | 7.7538 |
| Burundi | Franc | 90.00 |
| Cameroun Rp. | C.F.A. Franc | 410.725 |
| Canada | Dollar | 1.238 |
| Canary Is. | Sp. Peseta | 155.35 |
| Cape Verde Is. | Escudo | 72.6744 |
| Cayman Is. | Dollar | 0.835 |
| Cen. Af. Rep. | C.F.A. Franc | 410.725 |
| Chad | C.F.A. Franc | 410.725 |
| Chile | Peso (O) | 86.00 |
| China | Renminbi Yuan | 1.989 |
| Colombia | Peso (O) | 86.75 |
| Comoros | C.F.A. Franc | 410.725 |
| Congo P'ple.Rep.of | C.F.A. Franc | 410.725 |
| Costa Rica | Colon (9) | 43.40 |
| | Colon Free Float | — |
| Cuba | Peso | 0.8704 |
| Cyprus | Pound* | 1.8038 |
| Czechoslovakia | Koruna (O) | 6.45 |
| Denmark | Krone | 9.757 |
| Djibouti Rp. of | Franc | 177.72 |
| Dominica | E. Caribbean $ | 2.70 |
| Domin. Rep. | Peso | 1.00 |
| Ecuador | Sucre (O) | 52.98 |
| | Sucre (F) | 84.00 |
| Egypt | Pound* (O) | 1.4286 |
| | Pound* | 1.2151 |
| El Salvador | Colon | 2.50 |
| Eq'tl Guinea | Ekuele | 310.70 |
| Ethiopia | Birr (O) | 2.0964 |
| Faeroe Is. | Dan. Krone | 9.757 |
| Falkland Is. | Pound* | 1.463 |
| Fiji | Dollar | 1.0415 |
| Finland | Markka | 5.781 |
| France | Franc | 8.2145 |
| Fr. C'ty in Af. | C.F.A. Franc | 410.725 |
| Fr. Guiana | Franc | 8.2145 |
| Fr. Pac. Is. | C.F.P. Franc | 149.354 |
| Gabon | C.F.A. Franc | 410.725 |
| Gambia | Dalasi | 2.7341 |
| Germany (E) | Ostmark (O) | 2.7017 |
| Germany (W) | Mark | 2.7017 |
| Ghana | Cedi (3) | 30.00 |
| Gibraltar | Pound* | 1.463 |
| Greece | Drachma | 97.15 |
| Greenland | Dan. Krone | 9.757 |

| COUNTRY | CURRENCY | VALUE OF DOLLAR |
|---|---|---|
| Grenada | E. Caribbean $ | 2.70 |
| Guadaloupe | Franc | 8.2145 |
| Guam | U.S. $ | 1.00 |
| Guatemala | Quetzal | 1.00 |
| Guinea Bissau | Peso | 41.9209 |
| Guinea Rep. | Syli | 23.5185 |
| Guyana | Dollar | 2.9918 |
| Haiti | Gourde | 5.00 |
| Honduras Rep. | Lempira | 2.00 |
| Hong Kong | Dollar | 7.81 |
| Hungary | Forint | 44.51 |
| Iceland | Krona | 28.26 |
| India | Rupee | 10.449 |
| Indonesia | Rupiah | 991.00 |
| Iran | Rial (O) | 87.9372 |
| Iraq | Dinar | 0.3109 |
| Irish Rep | Punt* | 1.1504 |
| Israel | Shekel (1) | 93.265 |
| Italy | Lira | 1636.70 |
| Ivory Coast | C.F.A. Franc | 410.725 |
| Jamaica | Dollar (o) | 3.15 |
| | Dollar (f) | 2.94 |
| Japan | Yen | 233.85 |
| Jordan | Dinar | 0.3694 |
| Kampuchea | Riel | n.a. |
| Kenya | Shilling | 13.7387 |
| Kiribati | Aust. Dollar | 1.096 |
| Korea (Nth) | Won | 0.94 |
| Korea (Sth) | Won | 796.10 |
| Kuwait | Dinar | 0.2923 |
| Lao P'ple D. Rep. | Kip | 15.00 |
| Lebanon | Pound | 5.257 |
| Lesotho | Loti | 1.1947 |
| Liberia | Dollar | 1.00 |
| Libya | Dinar | 0.2961 |
| Liechtenst'n | Sw. Franc | 2.169 |
| Luxembourg | Lux Franc | 54.85 |
| Macao | Pataca | 8.1185 |
| Madagascar D. R. | Franc | 495.417 |
| Madeira | Port. Escudo | 129.37 |
| Malawi | Kwacha | 1.2934 |
| Malaysia | Ringgit | 2.344 |
| Maldive Is. | Rufiyaa (O) | 3.93 |
| | Rufiyaa (M) | 7.05 |
| Mali Rp. | Franc | 821.45 |
| Malta | Pound* | 2.2647 |
| Martinique | Franc | 8.2145 |
| Mauritania | Ouguiya | 55.85 |
| Mauritius | Rupee | 11.4328 |
| Mexico | Peso (Free) | 155.69 |
| | Peso (cont'd) | 139.77 |
| Miquelon | Fr. Franc | 8.2145 |
| Monaco | Fr. Franc | 8.2145 |
| Mongolia | Tugrik (O) | 3.3555 |
| Montserrat | E. Caribbean $ | 2.70 |
| Morocco | Dirham | 8.003 |
| Mozambique | Metica | 41.546 |
| Namibia | S.A. Rand | 1.1947 |
| Narua Is. | Aust. Dollar | 1.096 |
| Nepal | Rupee | 14.90 |
| Netherlands | Guilder | 3.026 |
| NethAnt'les | Guilder | 1.80 |
| New Zealand | Dollar | 1.522 |
| Nicaragua | Cordoba | 10.00 |
| Niger Rp. | C.F.A. Franc | 410.725 |
| Nigeria | Naira (O) | 0.7255 |
| Norway | Krone | 7.499 |
| Omn, Sultanate of | Rial | 0.3456 |
| Pakistan | Rupee | 13.2378 |
| Panama | Balboa | 1.00 |
| Papua N.G. | Kina | 0.8565 |
| Paraguay | Guarani (o) | 160.00 |
| | Guarani (m) (2) | 2189.46 |

| COUNTRY | CURRENCY | VALUE OF DOLLAR |
|---|---|---|
| Peru | Sol | 2189.46 |
| Philippines | Peso (4) | 13.99 |
| Pitcairn Is. | N.Z. Dollar | 1.522 |
| Poland | Zloty (O) | 95.491 |
| Portugal | Escudo | 129.37 |
| Port Timor | Escudo | n.a. |
| Puerto Rico | U.S. $ | 1.00 |
| Qatar | Riyal | 3.6397 |
| Reunion, Ile de la | Fr. Franc | 8.2145 |
| Romania | Leu (O) | 4.47 |
| Rwanda | Franc (8) | 97.8551 |
| St. Christopher | E. Caribbean $ | 2.70 |
| St. Helena | Pound* | 1.463 |
| St. Lucia | E. Caribbean $ | 2.70 |
| St. Pierre | Fr Franc | 8.2145 |
| St. Vincent | E. Caribbean $ | 2.70 |
| Samoa (Western) | Tala | 1.6156 |
| Samoa (Am.) | U.S. $ | 1.00 |
| San Marino | It. Lira | 1636.70 |
| Sao Tome & Principe DR | Dobra | 39.4574 |
| Saudi Arabia | Riyal | 3.48 |
| Senegal | C.F.A. Franc | 410.725 |
| Seychelles | Rupee | 6.8925 |
| Sierra Leone | Leone | 2.51 |
| Singapore | Dollar | 2.132 |
| Solomon Is. | Dollar | 1.208 |
| Somali Rep. | Shilling | 15.7201 |
| South Africa | Rand | 1.1947 |
| Spain | Peseta | 155.35 |
| Span. Ports in N. Africa | Sp. Peseta | 155.35 |
| Sri Lanka | Rupee | 24.65 |
| Sudan Rep. | Pound* | 0.7692 |
| Surinam | Guilder | 1.785 |
| Swaziland | Lilangeni | 1.1947 |
| Sweden | Krone | 7.954 |
| Switzerland | Franc | 2.169 |
| Syria | Pound | 3.925 |
| Taiwan | Dollar (O) | 40.26 |
| Tanzania | Shilling | 12.25 |
| Thailand | Baht | 22.99 |
| Togo Rep. | C.F.A. Franc | 410.725 |
| Tonga Is. | Pa'anga | 1.096 |
| Trinidad & Tobago | Dollar | 2.409 |
| Tunisia | Dinar | 0.7223 |
| Turkey | Lira | 264.10 |
| Turks & Caicos | U.S. $ | 1.00 |
| Tuvalu | Aust. Dollar | 1.096 |
| Uganda | Shilling (1st) | 223.80 |
| | Shilling (2nd) | 327.25 |
| Utd. A'b. Emir. | Dirham | 3.673 |
| Utd. Kingdom | Pound Sterling* | 1.463 |
| Upper Volta | C.F.A. Franc | 410.725 |
| Uruguay | Peso | 38.85 |
| U.S.S.R. | Rouble | 0.7745 |
| Vanuatu | Vatu | 101.18 |
| | Aust. Dollar | 1.096 |
| Vatican | Lira | 1636.70 |
| Venezuela | Bolivar (5) | 6.15 |
| | Bolivar (6) | 9.93 |
| | Bolivar (7) | 12.68 |
| Vietnam | Dong (O) | 9.882 |
| Virgin Is. Br. | U.S. $ | 1.00 |
| Virgin Is. U.S. | U.S. $ | 1.00 |
| Yemen | Rial | 4.697 |
| Yemen PDR | Dinar | 0.3453 |
| Yugoslavia | Dinar | 123.38 |
| Zaire Rp. | Zaire | 26.8981 |
| Zambia | Kwacha | 1.3195 |
| Zimbabwe | Dollar | 1.0953 |

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Israel: Devalued approximately 23 per cent October 11. (2) Madagascar: September 30, devalued by 10.25 per cent. (3) Ghana: Central Bank announced devaluation of approximately 90.8 per cent effective October 11. (4) Philippines Peso now floating from October 5. (5) Venezuela: Three-tier system has developed. This rate is for all essential imports. (6) Venezuela: Non essential import rate. (7) Venezuela: Floating rate for tourists. (8) Rwanda: Franc now linked to the SDR at rate 102.71. (9) Costa Rica: November 11. Central Bank unified the exchange rate. (10) Brazil: November 22, Brazil Central Bank devalued effective November 23. (11) Jamaica: November 23. Government adjusted official rate.

For further information please contact your local branch of the Bank of America.

# INTERNATIONAL CAPITAL MARKETS



## Japan's state bank gives first low-interest loan to U.S. group

**BY YOKO SHIBATA IN TOKYO**

THE government-owned Japan Development Bank (JDB) has for the first time given a low-interest loan to a 100 per cent-owned subsidiary of a U.S. company.

Yesterday JDB said it had also received a flood of loan requests from foreign companies totalling Y30bn ($129m) since it widened its lending policy in April.

The Y800m loan is towards the financing of a Y2.2bn design and research centre for Applied Materials Japan – which is wholly owned by the Santa Clara-based parent – a leading manufacturer of semiconductor fabrication equipment.

The remaining financing for the centre will come from Japanese private banks: Y800m from the Bank of Tokyo and Y200m from Chiba Bank. On the JDB loan, the company will pay 8.2 per cent on one portion and 7.3 per cent on the remainder.

JDB, which provides soft loans for high-tech companies, has in the past funded only purely Japanese developments. However, in April it widened its lending policy and in May made its first loan to a majority foreign-owned concern, Nippon NCR.

The bank clearly hopes its new policy will help to mollify U.S. criticism of Japan's support system for its own high-tech industries.

JDB officials say they have received requests from 32 foreign companies, 17 from the U.S. and the rest from Europe. Almost all the applicants are in the integrated circuit, semiconductor, biotechnology and pharmaceutical fields. Most want funds to establish factories, research or distribution centres in Japan.

In the fiscal year to March 1984, JDB has earmarked Y5bn for loans to foreign companies. In the following year, that may be increased to Y10bn. Interest rates will be on or below the present long-term prime rate of 8.2 per cent.

The loans to foreign companies are being made under two headings. The first cover loans for international industrial co-operation and promotion of international exchange, which carry a 7.8 per cent interest rate and might total Y3bn next year. The second category covers "loans to promote imports" and might total Y7bn with rates as low as 7.3 per cent.

### WEEKLY U.S. BOND YIELDS (%)

| | Nov 30 | Nov 23 | 1983 High | 1983 Low |
|---|---|---|---|---|
| Composite Corp. AAA | 12.05 | 12.06 | 12.59 | 10.62 |
| Composite Corp. AA | 12.16 | 12.21 | 12.83 | 10.78 |
| Government: | | | | |
| Long-term | 11.49 | 11.49 | 11.89 | 10.18 |
| Intermediate | 11.34 | 11.31 | 12.03 | 9.83 |
| Short-term | 10.70 | 10.63 | 11.25 | 8.21 |
| Municipal | 9.85 | 9.78 | 9.86 | 8.72 |
| Industrials AAA | 11.73 | 11.79 | 12.38 | 10.51 |
| Industrials AA | 12.06 | 12.05 | 12.62 | 10.72 |
| Utilities AAA | 12.31 | 12.31 | 12.81 | 10.73 |
| Utilities AA | 12.32 | 12.38 | 13.05 | 10.89 |
| Preferred Stocks | 11.23 | 11.14 | 11.41 | 10.80 |

*Source. Standard & Poor's*



## EEC taps market for $100m

**By Mary Ann Sieghart**

THE EUROPEAN Economic Community launched a $100m, two-tranche Eurodollar bond yesterday through Deutsche Bank and Daiwa Securities.

Both $50m tranches are priced at par. One has a 10-year life and carries a 12 per cent coupon; the other, for 15 years, pays 12¼ per cent.

The longer tranche was largely pre-placed in Germany and Japan: the 13 co-managers received only $750,000 each, leaving over $40m for Deutsche and Daiwa.

Most new-issue managers seemed to think the 10-year bond was reasonably priced, but there is little demand for straight bonds at the moment, particularly those with long maturities. It traded at a 1-point discount.

Morgan Stanley and Nomura International priced their $100m convertible for Mitsubishi Heavy Industries yesterday. It has been given a 4¾ per cent coupon at par, as indicated, and the conversion premium, at yesterday's stock price of Y243, is 4.1 per cent.

Prices of seasoned dollar bonds drifted slightly lower, following the trend in New York. Dealers reported very little retail or professional interest.

The World Bank is raising DM 200m through a five-year private placement paying a 7¾ per cent coupon at a price of 99¾. Some dealers thought the pricing a little tight, but the bond still traded at a small ½ point discount. Led by Deutsche Bank, this is the second D-Mark offering by the World Bank in the last two weeks.

Kirin Brewery Company issued a SwFr 100m convertible private placement yesterday through UBS. The five-year bond has an indicated coupon of 2⅞ per cent and will be finally priced next Wednesday.

UBS has priced its SwFr 100m public issue for Chubu Electric Power.

Turnover was very low in Continental markets yesterday. Prices of seasoned D-Mark bonds closed unchanged, while Swiss franc bonds improved slightly.

### BHF Bank bond average

| Dec 1 | | Previous |
|---|---|---|
| 98.392 | | 98.380 |
| High | 1983 | Low |
| 102.017 | | 97.899 |

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for December 1.

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Ames O/S Fin 10¼ 90 | 100 | 93¾ | 94¼ | 0 | −0½ | 11.61 |
| Australia Comm 11¼ 90 | 100 | 101 | 101½ | 0 | 0 | 10.97 |
| Australia Comm 11½ 95 | 300 | 96⅝ | 97⅛ | 0 | 0 | 12.08 |
| Australia Comm 11⅝ 98 | 100 | 97⅛ | 97⅝ | −0⅛ | −0¼ | 12.00 |
| Bank of Tokyo 11 90 | 100 | 94½ | 95 | −0⅛ | −0¼ | 12.20 |
| British Col Hyd 10⅛ 88 | 200 | 96½ | 97 | 0 | −0⅛ | 11.21 |
| Britoil Fin 11⅞ 90 | 125 | 99⅝ | 100⅛ | +0⅛ | −0¼ | 11.89 |
| Canada 10⅞ 88 | 500 | 98½ | 99 | 0 | +0¼ | 11.21 |
| C.C.C.E. 11¾ 97 | 100 | 92¾ | 93¼ | 0 | −0¼ | 12.85 |
| C.C.C.E. 12⅝ 95 | 75 | 98⅞ | 99⅜ | +0⅛ | 0 | 12.75 |
| Can Imp Bk Com 11 90 | 75 | 92½ | 93⅛ | 0 | −0¼ | 12.65 |
| Citicorp O/S 10⅞ 90 | 100 | 91⅜ | 91⅞ | 0 | −0⅜ | 12.30 |
| Citicorp O/S 11¾ 90 | 100 | 96¾ | 97¼ | 0 | −0½ | 12.43 |
| Cred Suisse BAH 10½ 90 | 150† | 98¾ | 99¼ | 0 | −0⅛ | 10.78 |
| Den Norsk Cred 11¼ 93 | 50 | 93⅛ | 93⅝ | −0⅜ | −0¼ | 12.47 |
| E.C.S.C. 11⅞ 90 | 75 | 99½ | 100 | −0¼ | −0⅛ | 11.98 |
| E.D.F. 11⅛ 93 | 100 | 92 | 92½ | −0⅛ | −0⅛ | 12.54 |
| E.E.C. 11 87 | 350 | 98⅝ | 99⅛ | 0 | −0¼ | 11.35 |
| E.I.B. 10¾ 93 | 200 | 91⅝ | 92⅛ | 0 | −0¼ | 12.22 |
| E.I.B. 11 91 | 125 | 94¾ | 95¼ | −0¼ | −0⅜ | 12.04 |
| Eksportfinans 11½ 90 | 100 | 96⅜ | 96⅞ | −0⅛ | −0⅛ | 12.24 |
| Electrolux 10½ 90 | 50 | 92⅛ | 92⅝ | −0½ | −0¼ | 12.28 |
| Enserch Fin 11⅝ 93 | 100 | 95⅝ | 96⅛ | 0 | +0⅛ | 12.36 |
| Fuji Int Fin 10⅞ 90 | 100† | 92¾ | 93¼ | 0 | −0¼ | 12.48 |
| GMAC O/S Fin 11¾ 90 | 100 | 99 | 99½ | 0 | 0 | 11.52 |
| Honeywell Int 10¾ 90 | 100 | 95⅞ | 96⅜ | −0⅛ | −0⅜ | 11.62 |
| Indust Bk Japan 10⅞ 88 | 100 | 97⅛ | 97⅝ | 0 | +0⅛ | 11.63 |
| Indust Bk Japan 11⅞ 91 | 100 | 97⅞ | 98⅜ | 0 | −0½ | 12.25 |
| Japan Air Lines 10⅞ 90 | 42 | 91⅝ | 92⅛ | 0 | −0⅜ | 12.07 |
| Japan Air Lines 11 93 | 75 | 94⅝ | 95⅛ | 0 | −0¼ | 11.98 |
| J.C. Penney 11⅞ 90 | 100 | 99⅞ | 100⅜ | 0 | −0⅛ | 11.83 |
| J. P. Morgan 11⅞ 90 WW | 150 | 96⅞ | 97⅜ | 0 | −0¼ | 11.99 |
| Levi Strauss Int 11 90 | 75 | 96⅛ | 96⅝ | 0 | −0⅜ | 11.79 |
| L.T.C.B. 10¾ 90 | 100 | 92¾ | 93¼ | 0 | −0¼ | 12.34 |
| L.T.C.B. 12½ 90 | 85 | 100⅝ | 101⅛ | 0 | −0⅜ | 12.25 |
| Merrill Lynch 10⅝ 90 | 200 | 93⅝ | 94⅛ | 0 | −0¼ | 11.99 |
| Mitsubishi Corp 10½ 90 | 100 | 93½ | 94 | 0 | −0¼ | 11.91 |
| Mitsubishi Fin 11⅞ 90 | 100 | 95¼ | 95¾ | +0⅛ | −0⅜ | 12.38 |
| Nippon Credit 11 90 | 100 | 93⅜ | 93⅞ | 0 | −0¼ | 12.46 |
| Nippon Credit 11⅞ 90 | 100 | 97 | 97½ | 0 | −0⅜ | 12.48 |
| Ontario Hydro 10¼ 90 | 250 | 93⅛ | 93⅝ | −0⅛ | −0⅛ | 11.74 |
| Ontario Hydro 11¾ 90 | 200 | 100⅜ | 100⅞ | 0 | +0¼ | 11.59 |
| Pacific Gas & Elec 12 91 | 75 | 102⅛ | 102⅝ | −0⅛ | −0¼ | 11.51 |
| P.K. Banken 12 90 WW | 75 | 96⅜ | 96⅞ | −0⅜ | −0½ | 12.78 |
| Prudential O/S 10⅝ 93 | 100 | 94⅛ | 94⅝ | 0 | −0¼ | 11.62 |
| Quebec Hydro 11½ 92 | 100† | 97¼ | 97¾ | 0 | +0¼ | 11.97 |
| Saskatchewan Pr 10¾ 90 | 125 | 95¾ | 96¼ | −0½ | −0⅛ | 11.66 |
| Sears O/S Fin 11½ 88 | 125 | 101 | 101½ | +0½ | +0⅜ | 11.16 |
| Sears O/S Fin 11⅝ 93 | 150 | 97⅞ | 98⅜ | 0 | −0⅛ | 11.95 |
| Sth Cal Edison 10½ 90 | 75 | 95½ | 96 | 0 | −0⅜ | 11.44 |
| Sumitomo Fin 10⅞ 90 | 100 | 93 | 93½ | +0⅛ | +0⅛ | 12.41 |
| Texaco Capital 9¾ 90 | 150 | 91½ | 92 | −0¼ | −0⅜ | 11.66 |
| Texaco Capital 10½ 93 | 200 | 94⅜ | 94⅞ | 0 | −0¼ | 11.43 |
| U.B.S. 10 88 | 100 | 97¾ | 98¼ | 0 | −0½ | 10.55 |
| World Bank 11¼ 88 | 100 | 98⅞ | 99⅜ | −0⅛ | −0¼ | 11.46 |
| World Bank 11¼ 90 | 200 | 96⅜ | 96⅞ | −0½ | −0⅜ | 11.98 |
| World Bank 11½ 90 | 150 | 98 | 98½ | −0¼ | −0½ | 11.86 |
| World Bank 12 93 | 200 | 99⅝ | 100⅛ | −0⅛ | −0½ | 12.00 |

Av. price changes: on day 0, on week −¼

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Air Canada 7¾ 93 | 100 | 99⅞ | 100⅜ | −0⅛ | −0⅛ | 7.33 |
| Arab Banking Corp 8 88 | 100 | 96¼ | 96¾ | −0⅛ | −0⅜ | 8.91 |
| Asian Dev Bk 8½ 93 | 200 | 99⅜ | 99⅞ | −0⅜ | −0½ | 8.55 |
| Austria, Rep 7⅝ 89 | 100 | 99⅞ | 100⅜ | −0⅛ | −0½ | 7.58 |
| Austria, Rep 8 93 | 100 | 100¾ | 101¼ | +0⅜ | +0¾ | 7.84 |
| Avon Int Fin 7½ 93 | 100 | 101 | 101½ | 0 | −0⅛ | 7.30 |
| Barclays O/S 8⅛ 88 | 250 | 97⅞ | 98⅜ | 0 | −0⅛ | 8.35 |
| Beatrice Foods 7¾ 93 | 130 | 103⅛ | 103⅝ | 0 | −0½ | 7.23 |
| B.F.C.E. 8¼ 90 | 150 | 100⅜ | 100⅞ | −0⅛ | +0½ | 8.11 |
| Dresdner Finance 4 90 WW | 250 | 107⅞ | 108⅜ | 0 | +0¼ | 2.58 |
| Dresdner Finance 4 90 XW | 250 | 83 | 83½ | 0 | −0⅛ | 7.28 |
| E.C.S.C. 8 90 | 150 | 100 | 100½ | −0⅜ | −0⅜ | 7.91 |
| E.E.C. 8¼ 93 | 250 | 100½ | 101 | −0⅛ | −0⅛ | 8.12 |
| E.I.B. 8 93 | 200 | 98½ | 99 | −0⅛ | −0⅛ | 8.18 |
| Eurofima 7½ 90 | 100 | 100⅝ | 101⅛ | −0⅜ | −0¾ | 7.32 |
| Europarat 8¼ 93 | 150 | 99⅜ | 99⅞ | −0⅜ | −0⅜ | 8.30 |
| Finland Rep 8 90 | 150 | 98⅛ | 98⅝ | −0⅛ | −0⅜ | 8.31 |
| Int Standard Ele 7¾ 93 | 100 | 102½ | 103 | 0 | −0⅛ | 7.33 |
| Ireland 8⅝ 91 | 150 | 100½ | 101 | 0 | 0 | 8.48 |
| Japan Dev Bank 7½ 90 | 100 | 100⅞ | 101⅜ | +0⅛ | +0⅛ | 7.27 |
| L.T.C.B. 8 90 | 100 | 101⅛ | 101⅝ | 0 | −0⅜ | 7.72 |
| Renault Acceptance 8 90 | 150 | 98⅛ | 98⅝ | +0⅛ | +0⅛ | 8.32 |
| S.D.R. France 7⅞ 93 | 100 | 97¼ | 97¾ | 0 | −0⅛ | 8.27 |
| Sth African Tran 8¼ 90 | 100 | 99 | 99½ | −0⅛ | 0 | 8.39 |
| World Bank 7½ 90 | 250 | 97⅞ | 98⅜ | 0 | −0⅛ | 7.86 |
| World Bank 7⅞ 89 | 300 | 99⅝ | 100⅛ | −0⅛ | −0⅛ | 7.83 |

Av. price changes: on day −⅛, on week −⅛

| SWISS FRANC STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Bank of Tokyo 6 91 | 100 | 102¼ | 102½ | 0 | +0⅛ | 5.61 |
| Bergen, City of 5¾ 95 | 40 | 100 | 100¼ | +0½ | 0 | 5.73 |
| Denmark 6⅝ 91 | 100 | 102½ | 102¾ | +1½ | 0 | 5.93 |
| E.D.C. 5⅜ 91 | 100 | 100 | 100¼ | 0 | +1 | 5.35 |
| E.E.C. 6 93 | 100 | 102 | 102¼ | 0 | +0½ | 5.71 |
| Europarat 6⅛ 93 | 100 | 98⅞ | 99⅛ | 0 | −0⅛ | 6.26 |
| Ind Fund Finland 6¼ 91 | 40† | 101½ | 102 | 0 | +0⅛ | 5.95 |
| Int-Am Dev Bk 6 93 | 100 | 98 | 98¼ | 0 | −0⅛ | 6.26 |
| Ireland 6½ 93 | 80 | 99 | 99¼ | 0 | 0 | 6.62 |
| Japan Dev Bank 5⅞ 93 | 100 | 102⅜ | 102⅝ | −0⅛ | +0⅜ | 5.54 |
| Jap Highway Pub 5⅝ 91 | 100 | 99¾ | 100 | +0⅛ | −0¼ | 5.64 |
| Kansai Ele Power 6 91 | 100† | 102½ | 103 | +0⅜ | 0 | 5.54 |
| Kawasaki Steel 6⅛ 91 | 100 | 100¾ | 101 | 0 | −0⅜ | 5.97 |
| Manitoba Prov 5½ 93 | 100 | 100⅜ | 100⅝ | −0⅜ | −0⅜ | 5.43 |
| Mont Blanc Tunl 6⅝ 93 | 35 | 103 | 103¼ | +0½ | +0⅜ | 5.95 |
| Mount Isa Finance 6 93 | 100 | 102¼ | 102½ | +0¼ | −0⅛ | 5.67 |
| MTG Bk Denmark 6⅛ 91 | 80 | 99 | 99¼ | 0 | 0 | 6.39 |
| New Brunswick 5¾ 93 | 100 | 101½ | 101¾ | 0 | −0½ | 5.53 |
| Nisshin Steel 6¼ 91 | 100 | 99⅞ | 100⅛ | −0⅛ | 0 | 6.24 |
| Osterr Draukraft 6 93 | 100 | 103 | 103¼ | −0⅛ | +1 | 5.56 |
| Osterr Post 6⅛ 91 | 100 | 102¼ | 102½ | −0¼ | +0½ | 5.72 |
| Quebec Province 5⅝ 93 | 100 | 99 | 99¼ | −0¼ | −0⅜ | 5.74 |
| Sumitomo Heavy Ind 6 91 | 100 | 101 | 101¼ | +0½ | +0⅜ | 5.81 |
| Tokyo Elec Power 5⅞ 91 | 100 | 102¼ | 102½ | +0½ | −0¼ | 5.49 |
| Trizec Corp 6⅛ 93 | 100 | 99¾ | 100 | 0 | +0⅛ | 6.14 |
| World Bank 6 95 | 100† | 98¾ | 99 | +0½ | +0¼ | 6.13 |

Av. price changes: on day +⅛, on week +⅛

| YEN STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Australia 8⅝ 92 | 15 | 106⅛ | 106⅝ | 0 | −0⅛ | 7.59 |
| E.I.B. 8¼ 92 | 15 | 103 | 103½ | 0 | 0 | 7.66 |
| Int-Am Dev Bk 7⅞ 93 | 15 | 100 | 100½ | 0 | 0 | 7.82 |
| New Zealand 7⅝ 89 | 15 | 102¾ | 103¼ | 0 | −0⅛ | 6.97 |
| World Bank 7⅞ 93 | 20 | 99⅞ | 100⅜ | 0 | +0½ | 7.61 |

Av. price changes: on day 0, on week 0

| OTHER STRAIGHTS * | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Farm Credit 12¾ 90 CS | 75† | 101 | 101½ | 0 | −0⅛ | 11.85 |
| Norcen 12¾ 93 CS | 60† | 96¾ | 97¼ | 0 | −0⅜ | 13.29 |
| TD MTG Corp 12½ 88 CS | 40† | 101¼ | 101¾ | 0 | 0 | 12.04 |
| Quebec Hydro 12¾ 93 CS | 50† | 102⅛ | 102⅝ | −0⅛ | −0⅜ | 12.38 |
| Royal Trstco 12⅝ 88 CS | 50† | 101½ | 102 | 0 | −0½ | 12.13 |
| World Bank 12¼ 90 CS | 75† | 101⅝ | 102⅛ | 0 | −0⅜ | 11.82 |
| Xerox Canada 12 88 CS | 40† | 102½ | 103 | 0 | −0⅜ | 11.19 |
| E.I.B. 11⅛ 93 ECU | 50 | 99⅝ | 100⅛ | 0 | −0⅜ | 11.12 |
| Genfinance 11 90 ECU | 60 | 97¾ | 98¼ | 0 | 0 | 11.42 |
| Algemene Bank 8¾ 88 Fl | 150 | 102⅛ | 102⅝ | +0⅜ | +0¾ | 8.10 |
| Bank Mees & Hope 9 88 Fl | 75 | 103 | 103½ | +0⅛ | +0¾ | 8.14 |
| Elect Sup Brd 8⅞ 88 Fl | 75 | 97¼ | 97¾ | 0 | 0 | 9.43 |
| P.H.P. 8¾ 88 Fl | 50 | 101⅞ | 102⅜ | 0 | +0⅜ | 8.17 |
| Swed Exp Cred 7⅝ 88 Fl | 100 | 95⅞ | 96⅜ | 0 | 0 | 8.84 |
| World Bank 9 88 Fl | 100 | 103 | 103½ | 0 | +0⅛ | 8.13 |
| O.K.B. 14 86 FF | 400 | 100¾ | 101¾ | −0⅛ | +0⅛ | 13.23 |
| Solvay & Cie 14⅛ 86 FF | 200 | 102 | 103 | 0 | +0⅜ | 13.31 |
| B.F.C.E. 11½ 88 £ | 50 | 99⅝ | 100⅛ | 0 | 0 | 11.53 |
| British Oxyg 11¾ 91 £ | 50 | 99¾ | 100⅜ | 0 | −0⅛ | 11.80 |
| CEPME 11⅛ 95 £ | 35† | 100¾ | 101¾ | 0 | +0¼ | 11.03 |
| CIBA-Geigy Int 6¾ 93 £ | 25 | 98¼ | 99 | 0 | +1 | 6.94 |
| E.E.C. 11⅝ 91 £ | 50 | 100⅞ | 101⅜ | 0 | −0⅜ | 11.50 |
| E.E.C. 11⅞ 93 £ | 50 | 101¾ | 102¼ | +0⅛ | 0 | 11.60 |
| Fin For Ind 10½ 90 £ | 20 | 95¼ | 96 | 0 | +0½ | 11.46 |
| Finland Rep 11⅝ 88 £ | 50 | 100⅝ | 101⅛ | 0 | +0¼ | 11.60 |
| Gen Elec Co 12½ 89 £ | 50 | 103⅞ | 105⅛ | +0⅛ | +0⅛ | 11.29 |
| I.T.I. 10¾ 93 £ | 25 | 95½ | 96¼ | 0 | +0½ | 11.48 |
| I.T.I. 11½ 91 WW £ | 50† | 99⅜ | 100⅜ | 0 | −0⅛ | 11.49 |
| Mort Bk Fin 11¾ 89 £ | 15 | 99⅝ | [illegible] | 0 | +0⅛ | 11.90 |
| Norsk Hydro 12 90 £ | 30 | 102 | 102¾ | −0⅛ | −0⅜ | 11.42 |
| Sweden 11⅛ 93 £ | 50 | 98⅛ | 99 | −0⅛ | 0 | 11.47 |
| Swed Exp Cred 11¼ 88 £ | 30 | 98¾ | 99½ | 0 | 0 | 11.46 |
| World Bank 11⅛ 88 £ | 100 | 98⅞ | 99⅝ | 0 | 0 | 11.38 |
| Eurofima 10 91 LuxFr | 600 | 99⅝ | 100⅝ | 0 | −0⅛ | 9.95 |
| Europarat 10¾ 93 LuxFr | 600 | 100¾ | 101¾ | 0 | −1⅛ | 10.51 |

| FLOATING RATE NOTES | Spread | Bid | Offer | C.date | C.cpn | C.yld |
|---|---|---|---|---|---|---|
| B.F.C.E. 5¼ 88 | 0⅛ | 99⅝ | 99⅞ | 20/1 | 10.18 | 10.29 |
| Caisse Nat Tels 5¼ 90 | 0⅛ | 99⅝ | 99⅞ | 21/4 | 10 | 10.06 |
| C.C.F. 5⅛ 95 | 0⅛ | 99½ | 99¾ | 7/4 | 9.94 | 9.97 |
| C.C.F. 5⅛ 98 | 0¼ | 99⅞ | 100⅛ | 24/3 | 10.15 | 10.19 |
| Cepme 5¼ 88 WW † | 0¼ | 99¾ | 100 | 3/12 | 10.56 | 10.57 |
| Cepme 5¼ 92 | 0⅛ | 99¾ | 100⅛ | 10/12 | 10½ | 10.50 |
| Chemical NY 5⅛ 94 †† | 0¼ | 100¼ | 100½ | 23/12 | 10 | 9.96 |
| C.N.C.A. 5⅛ 95 XW | 0¼ | 99½ | 99¾ | 7/12 | 10 | 10.04 |
| C.N.C.A. 5⅛ 97 | 0¼ | 99⅝ | 99⅞ | 24/3 | 10.31 | 10.34 |
| C.N.T. 5⅛ 91 | 0¼ | 99½ | 99¾ | 6/5 | 10.19 | 10.23 |
| Credit Foncier 5¼ 93 | 0⅛ | 99½ | 99¾ | 6/4 | 10 | 10.04 |
| Credit Lyonnais 5¼ 94 | 0⅛ | 99½ | 99¾ | 5/1 | 10.31 | 10.36 |
| Credit Lyonnais 5¼ 97 | 0⅛ | 99½ | 99¾ | 1/4 | 10 | 10.04 |
| Denmark 5⅛ 90 | 0¼ | 99⅜ | 99⅝ | 13/4 | 10 | 10.06 |
| Dresdner Fin 5⅛ 93 XW | 0⅛ | 100 | 100¼ | 19/4 | 9.94 | 9.93 |
| E.D.F. 5⅛ 95 XW | 0⅛ | 99⅝ | 99⅞ | 10/2 | 11⅜ | 11.40 |
| E.E.C. 5 90 | 0⅛ | 100 | 100¼ | 5/1 | 10.18 | 10.17 |
| First Interstate 5¼ 95 | 0⅛ | 99¼ | 99½ | 6/3 | 5⅛ | 5.28 |
| Hispano 5¼ 95 | 0⅛ | 98¼ | 98½ | 20/4 | 10 | 10.17 |
| NZ Steel Dev 5¼ 92 | 0¼ | 99⅞ | 100⅛ | 22/12 | 10¼ | 10.24 |
| Soc Generale 5¼ 90 XW | 0⅛ | 99⅝ | 99⅞ | 9/5 | 10.31 | 10.34 |
| Société Générale 5⅛ 95 | 0⅛ | 99¾ | 100 | 1/3 | 10.94 | 10.96 |
| Sweden 5¼ 89 | 0¼ | 100 | 100¼ | 26/2 | 10.19 | 10.18 |
| Sweden 5¼ 93 | 0⅛ | 100⅛ | 100⅜ | 3/2 | 11.19 | 11.16 |
| Sweden 5¼ 2003 | 0⅛ | 99½ | 99¾ | 17/5 | 5¼ | 5.21 |

Av. price change: on day 0, on week 0

| CONVERTIBLE BONDS | Conv. date | Conv. price | Bid | Offer | Chg. day | Prem |
|---|---|---|---|---|---|---|
| Bridgestone Tire 5½ 98 | 3/82 | 470 | 124 | 125½ | +1 | 1.30 |
| Canon 7 97 | 7/82 | 680.2 | 228¼ | 228¾ | −0⅜ | 1.81 |
| Daiwa Sec Co 5½ 98 | 10/83 | 481.8 | 96⅞ | 98⅛ | −0⅛ | −2.53 |
| Hitachi Cable 5¼ 98 | 2/82 | 515 | 107 | 108½ | +0½ | 0.04 |
| Honda Motor 5¼ 98 | 8/83 | 804 | 122⅞ | 123⅞ | +1⅜ | 1.06 |
| Honda Motor 5½ 97 | 3/83 | 759.6 | 141½ | 143 | +1⅛ | 0.45 |
| Konishiroku Photo 4 98 | 10/83 | 873 | 97⅛ | 98⅛ | +0½ | 7.07 |
| Kyowa Hakko 6¼ 97 | 2/83 | 762 | 113⅝ | 115⅛ | +0⅛ | 12.87 |
| Minebea Co Ltd 5½ 98 | 5/83 | 667 | 109⅝ | 110⅝ | +0⅜ | 2.43 |
| Mitsubishi Electric 5¼ 98 | 6/83 | 396 | 108¼ | 109¼ | +0½ | 3.58 |
| Nippon Electric 5¼ 97 | 2/82 | 785.9 | 171½ | 173½ | +1 | 4.09 |
| Nippon Oil Co 5½ 98 | 4/83 | 964 | 118⅛ | 119⅝ | +1⅜ | 1.41 |
| Nissan Motor 5¾ 98 | 4/83 | 769 | 102½ | 103½ | +0⅜ | −0.49 |
| Olympus Optical 6¾ 97 | 12/82 | 1157 | 105¾ | 107¼ | −0⅜ | 6.56 |
| Orient Finance 5¼ 97 | 3/82 | 927.2 | 96 | 97½ | +0⅜ | 14.06 |
| Orient Leasing 5⅛ 98 | 6/83 | 2680 | 88⅛ | 89⅛ | +0¼ | 3.39 |
| Secom 5 98 | 11/83 | 2920 | 130⅛ | 131⅝ | −0⅛ | −2.01 |
| Sumitomo Electric 5½ 97 | 3/82 | 577.3 | 123⅛ | 124⅝ | +0¼ | 8.57 |
| Yamaichi Sec Co 5 98 | 8/83 | 445.5 | 95½ | 97 | +0⅜ | −3.08 |
| Yamanouchi Pharm'cal 4 90 | 10/83 | 1898 | 96⅞ | 97⅞ | −0½ | 2.19 |
| NEC Corp 3½ 93 SF | 6/83 | 978 | 144½ | 146½ | −3½ | 1.21 |
| Settsu Paper 3½ 93 SF | 9/83 | 716 | 101¼ | 103¼ | −0¼ | 13.72 |
| Asics 5 92 DM | 12/83 | 520 | 107⅝ | 108⅝ | 0 | 9.39 |
| Konishiroku 6¼ 88 DM | 6/82 | 616 | 118⅞ | 119⅞ | −0⅛ | 3.22 |
| Sun Realty 6¼ 92 DM | 2/83 | 365 | 125⅝ | 126⅝ | −1⅛ | −5.58 |

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.



## International appointments

● **Mr John Spencer**, assistant general manager, regional general manager's office, Australasia and deputy managing director, Barclays International Australia, has been appointed president of BARCLAYS BANK OF NEW YORK from January 1.

● THE SAUDI INVESTMENT BANKING CORP (SIBC) has appointed **Mr Thomas G. Jensen** corporate banking senior manager, a newly created position. He will direct the marketing of SIBC's specialised wholesale banking products and services to corporate customers and prospects in Saudi Arabia. Mr Jensen comes to SIBC from the Seattle-First National Bank, where he had been general manager of its Singapore branch.

● **Mr Timm F. Crull** has been elected president of the CARNATION COMPANY to succed Mr Dwight L. Stuart, who has resigned as president and a member of the executive committee to devote his time to his personal interests. Mr Stuart continues as a director of the company. **Mr Glen R. Mitchell**, senior vice-president, was elected a member of the executive committee of the board of directors. Mr Crull has broad experience of Carnation's domestic and international operations.

● **Mr Loren D. Barre** is to succeed **Mr Rolland D. Nelson** as chairman of RTE CORPORATION, the electronic components and electrical equipment manufacturer, based in Brookfield, Wisconsin. Mr Nelson will continue as vice-chairman. Mr Barre remains chief executive officer, a post he has held since 1976. **Mr O. Lee Henry**, succeeds Mr Barre as RTE president and assumes a newly created role as chief operating officer. Mr Henry has also been appointed a director. Before joining RTE, Mr Henry was the president of a privately owned Swiss company.

● **Mr Martin C. Hoppe** has been elected assistant treasurer of GTE CORP, of Stamford, Connecticut. He will be responsible for directing corporate efforts and co-ordinating special projects within the treasury department of GTE.

● **Mr Hans Ritz**, executive director of CITICORP INTERNATIONAL BANK has moved to Frankfurt to direct Citicorp's capital markets group activities in Germany, Austria and Eastern Europe. He has joined the board of Citibank

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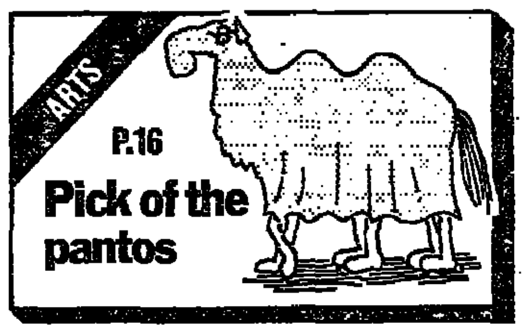
FEATURES
UK TEXTILE INDUSTRY P.18
Courtaulds breathes again
P.19 GOLDCREST FILMS
The chariot changes driver





WORLD NEWS

## IRA £5m ransom demand

The IRA yesterday demanded a £5m ransom for supermarket executive Don Tidey, kidnapped near Dublin last week and threatened to kill him if police were told of the demand.

But Irish police said every effort was being made to prevent payment, as it is against government policy.

Police, who believe they have identified three people involved in the kidnapping, are searching islands in west Ireland lakes for the hideout.

### Arafat seeks UN help

PLO leader Yassir Arafat asked the United Nations for use of its flag on ships to evacuate Palestinians from Tripoli. Gemayel, Page 2

### Children taking heroin

Merseyside Drugs Council *chairman* Bill Skelton said many children were trying heroin. One 13-year-old girl sold some to her 11-year-old sister in a Liverpool school playground.

### Lambsdorff decision

West Germany's parliament lifted Economics Minister Count Lambsdorff's immunity from prosecution. He now faces bribery charges. Page 2

### Four flee police ambush

Four men fled into woods near Brockley, Bristol, after police, acting on a tip-off that a gang intended to rob a mail van, ambushed their car.

### Reagan 'will run again'

President Reagan will declare his candidacy for re-election next month, after giving his state of the union message, the New York Times reported.

### Italian general held

Italian police arrested Gen Giuseppe Santovito, former head of the country's military intelligence service, in connection with Mafia investigations.

### Seychelles coup claim

South Africa is questioning five *people about an alleged attempt* to recruit mercenaries to overthrow the Seychelles Government.

### Arson appeal succeeds

Bruce Lee was cleared by the Appeal Court of causing the deaths of 11 men in a Hull fire. He *is still detained in a* mental hospital for causing 10 other fires in which 15 died.

### £1.2m Venice gold raid

An armed gang stole gold worth L3bn (£1.26m), from a warehouse at Venice airport after disarming four policemen.

### Armed incursion

An 11-ton armoured personnel carrier ran out of control in Whitehill, Hants, crashing into four houses and ending in a living room.

### Work-shy West

A report on the work ethic found a decreasing commitment to work in all advanced economies, including West Germany and Japan. Page 3

### Briefly . . .

Venezuelans vote for a new president tomorrow.

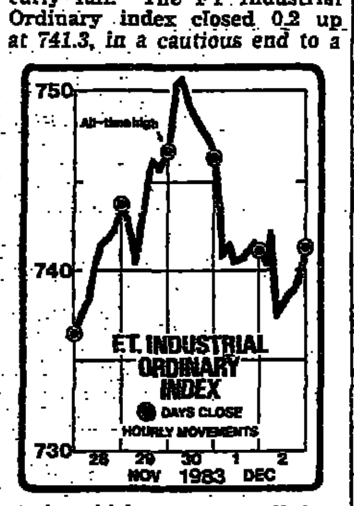
East Germany is considering dropping summer time next year.

BUSINESS SUMMARY

## Hitch in bid for Tecalemit

**SIEBE GORMAN**, the protective clothing maker, is alleged to have breached the City Code and jeopardised its £18.3m bid for Tecalemit, the garage equipment group. Kleinwort Benson, the merchant bank acting for Tecalemit, said the Takeover Panel ruled that Siebe had broken the code by promising to raise *its final dividend* for the year to March 1984, thus improving its general offer. **Back Page**

**EQUITIES** recovered from an early fall. The FT Industrial Ordinary index closed 0.2 up at *741.3, in a cautious end* to a




week which saw an all-time closing peak of 746.7 on Tuesday and a temporary breach of the 750-mark on Wednesday. **Page 26**

**STERLING** eased further against the dollar in London, falling 10 points to $1.4565, but strengthened against other *major* currencies. Its trade-weighted index held at 82.9. **Page 23**

**BRITAIN'S** gold and foreign currency reserves were little changed in November at $18.1bn (£12.1bn), the Treasury announced.

**PLASTICS** industry is experiencing improved business conditions, marked by higher sales volume and better plant use, the British Plastics Federation said. **Page 3**

**AB ELECTRONIC** Products, based in Wales, won a multi-million dollar contract for printed circuit sub-assemblies for IBM's personal computer, lifting its share price 85p to 920p. **Page 4**

**VATICAN** and the Italian authorities are holding talks aimed at resolving their dispute over the defunct Banco Ambrosiano. **Page 2**

**GHH**, West Germany's biggest mechanical engineering group, plunged into the red for the first time in the year to June 1983 because of losses by its biggest subsidiary, MAN. **Page 25**

**RUPERT MURDOCH**, the newspaper entrepreneur, has spent about $85m (£58.4m) to raise his stake in Warner Communications of the U.S. from about 1 per cent to 6.7 per cent. **Page 25**

**POLLY PECK**, trading and industrial group, more than doubled its 1983 profits to £24.7m, just short of the £25m forecast by its brokers L. Messel. **Back Page**

**CHLORIDE GROUP**, battery manufacturer, reported a first-half pre-tax profit of £3.1m, against losses of £900,000. **Page 20; Lex, Back Page**

# 'Hostilities suspended' for NGA-Shah talks

BY NICK GARNETT AND JOHN LLOYD

THE DISPUTE at the Stockport Messenger Group's Warrington plant was defused, at least temporarily, yesterday when both sides agreed to "suspend hostilities" for seven days.

Talks between Mr Eddie Shah, the Messenger Group chairman, and the leadership of the National Graphical Association will take place under the auspices of the Advisory Conciliation and Arbitration Service in London on Monday.

The third contempt of court charge facing the NGA was adjourned in the High Court in Manchester yesterday, after the union's counsel gave an undertaking that unlawful picketing at the Messenger Group's Warrington priting plant would be halted for seven days.

Mr Charles Garside, counsel for the Messenger Group, said the company would accept an application for adjournment only if such an undertaking was given. Mr Garside said it was hoped "fruitful" discussions would take place during the seven days.

Mr Justice Eastham, who has already fined the union £150,000 as a result of earlier applications by Mr Shah, said he would deal next Friday with further applications made by Mr Shah over incidents on the Warrington picket line. He had instructed *the sequestration commissioners* to pay the £150,000 fines which they have secured from the NGA's funds.

Mr Shah said after the court hearing that he would accept no "private meetings" in the negotiations next week with union officials. Nor would be accept verbal undertakings: everything would have to be agreed in writing.

The agreement to talk represents some moderation of the positions taken by the two sides but particularly by the union. The NGA has agreed to suspend picketing and to be represented in court. Mr Shah has agreed not to press his action for the present.

The Acas negotiations next week will be fraught with difficulties, since Mr Shah has made it clear he will start with a "clean sheet." One proposal may be that Fineward—the typesetting company from which six NGA members were *dismissed for going on strike*—is sold, or even given to the NGA, with the understanding that the six are re-employed.

Mr Joe Wade, the NGA general secretary, said on return from a trip to Switzerland to secure the backing of the International Graphical Federation: "I am very pleased—very pleased indeed."

Mr Tom King, the Employment Secretary, also welcomed the decision. "This has been a very unhappy episode for trade

**Continued on Back Page**
**More on the dispute, Page 4; Men of the Week, Back Page**

# U.S. unemployment falls for second month running

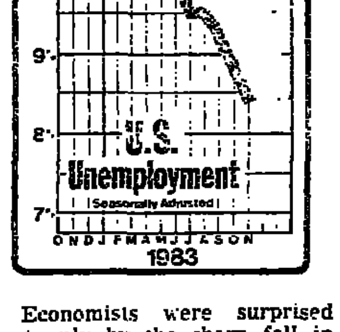
BY STEWART FLEMING IN WASHINGTON

U.S. UNEMPLOYMENT fell unexpectedly for the second consecutive month in November. The drop was immediately welcomed by the White House as evidence that President Ronald Reagan's economic policies were succeeding.

An ebullient Mr Larry Speakes, the White House spokesman, described the 0.4 per centage point fall, from 8.8 per cent in October to 8.4 per cent *last month*, as "remarkable." He added: "The best Christmas gift this country can receive is the thought of people going back to work. Today's figures reflect a growing economy that promises increasing employment opportunities."

Asked to what he attributed the decline, he answered: "Ronald Reagan."

The White House's delight reflects a belief that the better economic news will tend to push the damaging debate about budget deficits off the front page. It also arises from the recognition that the most politically sensitive economic indicator is moving in the President's favour in advance of the announcement, expected next month, that he will seek re-election.




Economists were surprised *not only by the sharp fall in* unemployment but by the strength of the increase in the number of workers finding jobs.

Total civilian employment rose 740,000 over the month to 102.7m. Since last December, 3.6m Americans have found jobs. Dr Richard Rahn, an economist with the U.S. Chamber of Commerce, said the rate of job creation was a record, exceeding even that experienced in 1935.

Unemployment is normally *seen as a lagging* indicator of the economy. Thus the fall of the past two months is attributed in part to the very rapid growth in gross national product in the second and third *quarters*.

The pace of the improvement in the labour market is being taken by some economists as an indicator that business is expecting the economy to continue to expand at a healthy pace—not only in the fourth quarter, where real growth of between 5 per cent and 7 per cent is widely forecast, but also into early next year.

Many economists are expecting and hoping, that the tempo *of real growth will ease from* that set since the second quarter of this year. They believe it to be unsustainable if inflation and interest rates are not to rise later in 1984.

● Mr Nigel Lawson, Chancellor of the Exchequer, *said* yesterday that this week's UK unemployment figures suggested the total was now "levelling off." He told a farmers' meeting in Leicestershire that a turning point for unemployment might be reached this year.

# Whitelaw to oversee Tory PR

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

LORD WHITELAW has been appointed by Mrs Thatcher to oversee the presentation of government policy. The move has been prompted by government concern over mounting criticism in the Press, especially from papers and columnists traditionally favourable to the Conservatives.

Lord Whitlaw, Leader of the Lords, will take vore from Mr John Biffen, who previously combined the job with his role as Leader of the Commons.

There are indications that Lords, will take over from Mr as a figure capable of asserting over senior Ministers a degree of authority denied to Mr Bernard Ingham, the Prime Minister's Press Secretary.

*Mr Ingham is, nonetheless,* expected to take the lead in determining how policy should be presented to the media, while Lord Whitelaw will ensure that senior Ministers do not step out of line.

The aim is to avoid the kind of banana skins that have littered the Government's path since the election. Chief among these was the Government's reaction to the Grenada crisis, which provoked strong criticism from many of the Fleet Street newspapers which had supported Mrs Thatcher during the general election. The criticisms fuelled unease on the Tory back benches.

Mrs Thatcher is believed to have been disturbed by editorial reaction in the Daily Express, and by the more critical line adopted by much of the Murdoch Press. Mr Rupert Murdoch was recently quoted as saying that Mrs Thatcher had "gone out of her mind," was *"desperately tired," and had* "run out of puff." Other previously staunch Thatcher supporters who have deserted in print include the columnists Mr Paul Johnson and Miss Jean Rook.

Mrs Thatcher is understood to feel that the Government failed to argue its case effectively. While there has been no overt criticism of Mr Biffen, it is suggested he devoted insufficient attention to this part of his brief.

One of the first tasks facing Lord Whitelaw and Mr Ingham will be to persuade the media that next week's European Community summit in Athens has not been a failure from Britain's point of view. The Government's expectation of progress over reducing its contributions to the EEC budget appear low and substantial difficulties are expected.

Other areas identified as likely to cause trouble for the *Government include forthcoming* legislation on local government rates, the nuclear debate, and industrial relations in the wake of the Messenger Group's dispute with the National Graphical Association.

# Cool response to Cable and Wireless offer

BY DOMINIC LAWSON

THE GOVERNMENT'S sale of 100m shares in Cable and Wireless, the UK-based international telecommunications group, has met with an unenthusiastic response from the City.

*Applications were received* for only 70 per cent of the issue at the offered minimum tender price of 275p. The remainder, worth £82.5m, have been left with the underwriters.

All applications have been allotted in full at the minimum price, netting he Government £262m after expenses.

Cable and Wireless shares slid from 288p to 265p yesterday before closing at 270p, giving a fall of 30p over the past two days.

The undersubscription surprised both the Government and the City. The Treasury described the result as a "freakish hapening." It claimed, however, that the offer had been warmly received by the small investor.

### Very disappointed

Mr Ernest Potter, the finance director of Cable and Wireless sad he was "very disappointed" *by the* result. "There is nothing that the company can do about the availability of support for such an offer, but the tender method of sale always creates a degree of difficulty," he sad.

Some surprise was expressed in the City at the fact that on Thursday Mr Potter attended a lunch for institutional investors at Scrimgeour, Kemp-Gee, a leading firm of brokers in the electrical sector.

It was felt that Mr Potter should have postponed the meeting in view of the following day's offer for sale. Mr Potter said the lunch had been arranged long before the offer for sale was announced. He added that consensus had been that the likely striking price chosen by the Government and its advisors would be in the region of 300p.

A fund manager said this was directly responsible for the undersubscription.

He explained that at Thursday night's closing price of 288p, a striking price of 290p *seemed a possibility*. Leading institutional investors, who were also sub-underwriters to the issue, chose not to apply. They knew that if the issue was undersubscribed, they would be required to take up the stock at the minimum tender price *of only* 275p.

One subunderwriter said: "A number of applications, for which cheques had already written, were pulled at the last minute. But I am more than happy to take up the shares at 275p each, with the additional benefits of savings on commission and stamp duty."

### Press talk

The lead merchant bankers to the issue, Kleinwort Benson, are also in charge of preparing British Telecom for privatisation next year.

Lord Rockley, head of Kleinwort Benson's corporate finance department blamed the under-*subscription on "the Press* talking up the striking price." and on the lack of interest shown by the stags.

At the minimum striking price the Government will net £262m from the issue. This will go towards the Government's target of raising £1.25bn this financial year from the sale of state-owned assets.

Including the expected receipt of £80m in part payment for the Wytch Farm oilfield, formerly owned by *British Gas, the Government* will still be £75m short of target figure.

However, the Treasury said last night: "You don't have to hit the target spot on. The figure of £1.25bn is not written in concrete. We may be a little bit short."

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# Battle joined on Gulf HQ's transfer

By William Hall in Pittsburgh

MR T. BOONE PICKENS, the Texas oilman who with associates has spent nearly $1bn (£690m) in the last three months to acquire a 12½ per cent stake in Gulf Oil, flew to Pittsburgh yesterday to oppose Gulf's plans to move its headquarters east to Delaware.

The fifth biggest oil company in the U.S. feels it would be safer from attack by people like Mr Pickens if it was incorporated in Delaware rather than in Pennsylvania.

The Texan's reception was not nearly so enthusiastic as it had been on Wall Street. One small shareholder summed up the confrontation with these words: "These people are modern bounty hunters. Des*troying Gulf Oil* would be as bad as demolishing the Washington monument."

On Wall Street Mr Pickens had suggested that investors would make a lot more money if they joined him in persuading Gulf Oil to spin off a sub*stantial part of its domestic* oil reserves into a royalty trust. Incomes would then flow directly to shareholders.

Yesterday Mr James Lee, Gulf's chairman, told 3,000 shareholders in Pittsburgh: "Witht a history of hit-and-run tactics and a stated position of representing only their own iteresis, these people could not be a positive force on Gulf's board.

"On the contrary, we firmly believe their presence would disrupt our progress, embroil the board in unnecessary controversy and quickly undermine the value of your securities."

Mr Lee, flanked by assistants wearing "Beat Boone" lapel badges, was preaching to the converted. One after another, small shareholders stood up and offered support in the battle against Mr Pickens, who is chairman of Mesa Petroleum.

"I don't expect anyone to come up from Texas and tell me how to make money. All I want is to get a fair dividend

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## MARKETS

| DOLLAR | STERLING |
|---|---|
| New York lunchtime: | New York lunchtime: $1.459 |
| DM 2.714 | London: $1.4565 (1.4575) |
| FFr 8.25 | DM 3.955 (3.9425) |
| SwFr 2.17425 | SwFr 3.1675 (3.155) |
| Y233.5 | FFr 12.005 (11.975) |
| London: | Y340.25 (339.25) |
| DM 2.713 (2.703) | Trade weighted 82.9 (82.9) |
| FFr 8.245 (8.2175) | **LONDON MONEY** |
| SwFr 2.174 (2.164) | 3-month interbank: |
| Y233.5 (232.55) | mid rate 9⅝ (same) |
| Trade weighted 128.8 (128.4) | 3-month eligible bills: |
| Tokyo close Y232.65 | buying rate 8$\frac{17}{32}$ (same) |
| **U.S. LUNCHTIME RATES** | **STOCK INDICES** |
| Fed Funds 9¼% | FT Ind Ord 741.3 (+0.2) |
| 3-month Treasury Bills: | FT-A All Share 459.98 (459.83) |
| 8.89% | FT-A long gilt yield index: |
| Long Bond: 102$\frac{5}{32}$ | High coupon 10.18 (10.12) |
| Yield: 11.77 | New York lunchtime: |
| **GOLD** | DJ Ind Av 1,272.87 (−2.23) |
| New York: Comex Dec. latest $400 | Tokyo: |
| London: $398.375 ($397.875) | Nikkei Dow 9,379.85 (+43.25) |

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# Gemayel demands more support for Lebanese army

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Amin Gemayel of Lebanon yesterday pressed ahead with his search for new U.S.-backed arrangements to encourage the withdrawal of all foreign forces from his country.

But as he spent a second day in intensive high-level negotiations with the Reagan Administration there was no sign of any major breakthrough.

Mr Gemayel presented the Pentagon with a detailed list of requests for further U.S. support for the Lebanese armed forces, including supplies of military equipment. U.S. officials said a strengthened Lebanese army would be an important factor in enabling the Government to increase the areas of the country under its control.

Washington appeared to be pinning its hopes on a modest "step-by-step" programme, under which an increasingly confident Lebanese Government would progressively assert its authority—first in those areas not occupied by either Syrian or Israeli forces and then in the Israeli-occupied south.

In its talks with Mr Gemayel, the administration has insisted it is sticking to the terms of the May 17 U.S.-sponsored Israeli-Lebanese withdrawal agreement, which has been blocked by Syrian refusal to pull out its 40,000 troops. The administration does not want to reopen the agreement in order to negotiate further partial unilateral Israeli withdrawals.

Washington appears, however, to be encouraging Mr Gemayel to negotiate new, voluntary arrangements with Israel to extend the government's authority in the south of the country—possibly by replacing some Israeli troops with mixed Lebanese forces.

The hope was that by winning piecemeal Israeli concessions and strengthening his power base through the national reconciliation process, Mr Gemayel might encourage the Syrians to be more flexible.

Meanwhile, King Hussein of Jordan said in an inerview with American reporters in Amman that he was prepared to resume talks with PLO leader Yasser Arafat on a joint Palestinian-Jordanian approach to negotiations with Israel on the future of the West Bank and Gaza Strip, along the lines of President Reagan's peace initiative last year.

The King added, however, that he was "dismayed" by the intensified political and military co-operation agreed between the U.S. and Israel in Washington this week.

**Palestinian leader Yassir Arafat has asked the United Nations to supervise the withdrawal of some 5,000 of his loyalist followers from Tripoli, writes Nora Boustany in Beirut. Mr Arafat also requested the UN to use its flags on the ships to be used to evacuate the guerrillas from the embattled city.**

## EEC summit to discuss reviving peace efforts

BY JOHN WYLES IN BRUSSELS

EUROPEAN Community heads of government are expected to take time off from their summit negotiations on EEC reform which begin in Athens tomorrow to discuss whether to revive the Community's peace-making efforts in the Middle East.

The question of whether the Community should again seek a more active role is being seriously discussed in several EEC capitals because of the direct and hazardous involvement of several member state in peace-keeping efforts in the Lebanon and becauseof developments in U.S. policy.

It is being argued that in the run-up to next year's presidential election in the U.S., the Reagan Administration will give up its efforts to breathe life into its Palestinian autonomy proposals and focus on getting its peace-keeping forces out of Beirut.

In any case, it is thought that the chances of the U.S. plans for Palestinian autonomy on the West Bank making much headway are being undermined by Washington's traditional pre-election reversion to a pro-Israeli policy.

There is some astonishment in EEC foreign ministries that President Reagan conceded so much to Mr Yitzak Shamir, the Israeli Premier in the security and economic agreements they reached in Washington this week without any obvious quid pro quo.

Although the heads of government might recognise the need for a more active approach to the Middle East, they are likely to have great difficulty in identifying what can be done.

General dissatisfaction remains with the meagre results of the last EEC initiative, which was based on the Community's celebrated Venice Declaration of June 1980. It took several Community foreign ministers on fact-finding tours of the area, but yielded few results. The motive then was to fill a "peace vacuum" created by the 1980 presidential elections.

As a result, the summit may resolve to move slowly and carefully and to call for careful preparation before any decisions are taken.

Most of the summit's three days, however, will be dominated by the negotiations on reforming the Community's agricultural policy, setting up new systems to control its spending and finding a permanent solution to the British budget problem.

## Britain firm on budget

BY DAVID BUCHAN

BRITAIN will refuse to endorse an increase in Community budget funds at tomorrow's EEC summit in Athens until and unless controls are put on farm spending and guaranteed limits are placed on the UK share of the budget, Mrs Thatcher told M Gaston Thorn yesterday.

The EEC Commission President was visiting London in a series of pre-summit discussions with EEC leaders to persuade them to back increased EEC funding to keep the budget solvent.

Britain's complaints about the open-ended nature of EEC farm spending and its own budget share were underscored yesterday by Sir Geoffrey Howe, the Foreign Secretary. He said in a radio interview that British agreement to any spending increase was "absolutely dependent" on the rest of the EEC agreeing to Britain's preconditions.

Speaking of tomorrow's Athens summit, he said: "This time we have really got to get an effective answer. It cannot go on with a budgetary arrangement which is totally unfair and unworkable."

# Bundestag lifts Lambsdorff immunity

By James Buchan in Bonn

THE West German parliament yesterday opened the way for possible court proceedings against Count Otto Lambsdorff, the Economics Minister, who faces charges of taking bribes from the Flick concern.

A sparsely attended Bundestag yesterday morning unanimously voted to lift Count Lambsdorff's parliamentary immunity, so that for the first time in the country's history a serving minister faces prosecution. Count Lambsdorff, 56 and the Free Democrat (FDP) Economics Minister since 1977, himself voted for the resolution.

The way is now free for the writ to be served on Count Lambsdorff, and for the Bonn district court to study the results of almost two years of judicial investigation by the Bonn Public Prosecutor. The decision by the court whether or not to open proceedings could take six months or more.

Count Lambsdorff, who faces charges alongside two other former ministers from the FDP as well as two former Flick officials, will receive the writ next week. In a newspaper interview to be published today, he said he saw no reason to resign, even then. He has consistently denied any wrongdoing.

Government officials yesterday said there was little doubt that Count Lambsdorff must resign if the case comes to court, which seems probable on the basis of past practice. However, the overwhelming impression in Bonn was that the Government was stonewalling on the issue in order to limit damage to Chancellor Helmut Kohl's delicate three-party coalition.

## Rise in W. German unemployment

After a brief lull, unemployment in West Germany has resumed its upward march, Rupert Cornwell reports from Bonn. Those registered as without work increased in November to just under 2.2m, or 8.8 per cent of the total workforce, compared with a rate of 8.7 per cent in October and 8.4 per cent in the corresponding month of 1982.

However, the Federal Labour Office ascribed the rise to seasonal factors and noted that the number of those on short-time declined last month by more than 54,000 to slightly under 494,000.

## Hong Kong land sale

THE HONG KONG Government plans a major land auction in January. The event will be closely watched by analysts for signs of recovery or further weakening in the territory's important and depressed real-estate sector, Robert Cottrell reports from Hong Kong.

The site to be auctioned by the Government is called "Admiralty Two," and lies to the east of the central business district.

## Seychelles 'plotters'

Security police have arrested five people, including Britons and Zimbabweans, for plotting a new Seychelles coup, Mr Louis le Grange, the Law and Order Minister, announced yesterday, AP reports from Pretoria.

## Venezuelan election

With voting due tomorrow in the Venezuelan presidential elections the opposition Accion Democratica (AD) candidate, Sr Jaime Lusinchi, was still being tipped to win, our Foreign Staff reports. Sr Lusinchi, a 59-year-old pediatrician, has campaigned on a moderate social democrat platform.

His nearest rival is Sr Rafael Caldera of the ruling Copei Party. Sr Caldera was president from 1969 to 1973 and this is his sixth presidential campaign.

# Iran hardens line on Opec price increase

BY RICHARD JOHNS

A DEMAND by Iran for an increases of $5 per barrel in the price of oil is threatening aggravate next week's conference of the Organisation of Petroleum Exporting Countries.

Differences over production quotas, which anyway looked as if they would be fraught, seem bound to be complicated by an Iranian initiative aimed at raising revenue per barrel.

The Iranian position, elaborated upon last month at Opec's long-term strategy committee meeting, received high-level blessing yesterday from Hajotoslam Hashemi Rafsanjani, Speaker of the Iranian Parliament and one of the leading figures of the clerical regime in Tehran.

In a sermon to the Friday prayer meting in the grounds of Tehran University, he said that the decision last March to cut the price of oil from $34 to $29 per barrel "inflicted a heavy blow on the deprived people of the Opec states, according to the official Iranian News Agency.

Mr Mohammed Gharazi, Iranian Minister of Oil, "speaking on behalf of the deprived people of the region should ask Opec countries to compensate for this crime of reducing oil prices by returning the oil price at least to its original level of $34 per barrel."

The Iranian proposal runs counter to the almost complete consensus among other members that the oil price will have to remain frozen next year and probably until the end of 1984 as well. Some members sympathise in principle with a policy of maximising revenues at hte expense of demand but consider the Iranian proposal impractical in present market conditions.

Iran opposes the position taken by the Arab producers of the Gulf that oil demand should be revived through price moderation. The argument put forward by Dr Gharazi and his colleagues at the long-term strategy meeting was that a higher price would more than compensate for any fall in demand and output of Opec oil.

An Iranian document outlining the proposal said: "Nothing is wrong with a gradual decline in the demand for Opec crude if it is accompanied by an equal or faster rate of price rise so that Opec revenues do not decline."

In pressing the case for maximising per barrel revenue, it went on to say that "as in the past any price freeze policy can only lead to a resumption of the cycle of price erosion followed by a price jump."

Iran also plans to press for an increase in its production quota from 2.4m barrels a day to 3.2m b/d. Iraq has also given notice that it also wants its current allocation to rise from 1.2m b/d to 1.8m b/d.

In Bahrain yesterday Mr Qassem Ahmed Taki, Iraqi Minister of Oil, said that the price freeze should extend through 1984 and possibly 1985 also.

# Weinberger seeks bigger defence budget

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR CASPAR WEINBERGER, the U.S. Defence Secretary, has fired the first shots in what could be a major election-year battle over defence spending by telling Congressional leaders he wants a $55bn (£36.7bn) increase in Pentagon funding in the 1985 fiscal year, which begins next October.

Mr Weinberger's request, a nominal increase of about 22 per cent over the $249bn approved by Congress for this year, was met with incredulity by leading Republicans on Capitol Hill this week.

Mr Robert Dole, the influential Republican chairman of the Senate finance committee, said in a radio interview: "If we're talking about shrinking the deficit and coming in with a big, big defence increase, I would just say to Secretary Weinberger, in all kindness, you're going to lose."

President Ronald Reagan, however, has not yet decided on the final shape of his budget request for fiscal 1985, which he is due to present in January.

While Mr Weinberger wants to go for a high defence figure, fearing that it is bound to be cut, others inthe administration favour trying to reach an early compromise with Congress.

Mr Weinberger's proposal is intended to recoup much of the ground lost in budget-cutting this year, bringing defence spending nearly all the way back to the growth path originally planed by the administration.

He is hoping that recent events in Grenada and the Middle East, and the shooting down of the Korean airliner, will strengthen his hand.

Paul Betts in Paris adds: Mr Weinberger acknowledged yesterday that the U.S. had been criticised for pushing forward too quickly the idea of using emerging technologies to strengthen western defences.

"But in a speech to the Atlantic Institute in Paris he said exploiting emerging technologies was a vital way forward for the Nato alliance.

Mr Weinberger's remarks came just before next week's meeting of Nato defence and foreign ministers in Brussels when the U.S. is expected to submit a report on the delicate issue of emerging technologies.

The U.S. Defence Secretary said that exploiting new technologies was a third way of strengthening the overall defences of the West.

He suggested nuclear deterrents were not the only way and that negotiations were not the only alternative.

But Mr Weinberger appeared keen to avoid controversy over the issue which is worrying European allies who are expected to resist U.S. attempts to involve Nato in new high technology weapons production.

Mr Weinberger emphasised the U.S. was opposed to a "fortress America" philosophy. He claimed an isolationist policy was a dangerous tendency the Reagan Administration was fighting all the time.

He also said he was opposed to see any one country assuming a predominant decision-making role in the alliance.

# Shultz may see Gromyko in Stockholm

By Reginald Dale, U.S. Editor, in Washington

MR GEORGE SHULTZ, the U.S. Secretary of State, would not oppose a meeting with Mr Andrei Gromyko, the Soviet Foreign Minister, during the opening session of the 35-nation Conference on Disarmament in Europe (CDE) in Stockholm next month—if Nato decides that foreign ministers should attend the meeting.

It would be the first encounter between the two men since their frosty exchange in Madrid on September 9 in the aftermath of the shooting down of the Korean airliner.

Mr Shultz said that Nato ministers will decide on representation in Stockholm during their annual series of year-end meetings in Brussels next week.

The Stockholm meeting, which starts on January 17, has its origins in the Helsinki process of promoting East-West security and co-operation in Europe. It is to focus primarily on so-called "confidence building measures," intended to reduce the threat of surprise attack through improved exchanges of information on troop movements and manoeuvres.

AP adds from Brussels: The North Atlantic Council of Nato ambassadors yesterday endorsed the U.S. negotiating stance at strategic arms reduction talks (Start) in Geneva and called on the Soviet Union to work constructively to reach an agreement.

# Rome and Vatican discuss Ambrosiano debts

BY JAMES BUXTON IN ROME

CONTACTS are now in progress between the Italian authorities and the Vatican aimed at settling their dispute over the defunct Banco Ambrosiano.

Until they reach a solution, there is thought to be little chance of the two states signing a new Concordat to put their relations on a new basis, despite official optimism following the important meeting on Thursday between Sig Bettino Craxi, the Socialist Prime Minister, and Pope John Paul II.

The joint commission set up by Italy and the Holy See to investigate the late Sig Roberto Calvi's Banco Ambrosiano's connection with the Vatican bank, Istituto per le Opere di Religione (IOR), produced its report a few days ago.

Though the report, said to run to 3,000 pages, contains differences of opinion between the Italian and Vatican delegates on the IOR's degree of responsibility for the debts of the bank, it is still considered on the Italian side as a useful document in the search for a settlement.

Though the Vatican has consistently refuted the Italian contention that it is responsible for the $1.3bn (£945m) debts of Banco Ambrosiano, even though these were incurred in loans to companies for which the IOR had signed letters of patronage, the fact that the Vatican is not refusing to discuss a settlement is significant. A settlement would involve the payment of at least part of the disputed funds to the Italian authorities.

If no settlement is reached—and the Italian authorities hope that one can be achieved within "a short time"—creditors of Banco Ambrosiano are expected to issue writs against the IOR. The administrators of Banco Ambrosiano Holding, the Luxembourg-based subsidiary of the Milan bank, have already instructed a London law firm to draft a writ.

After his meeting with the Pope, Sig Craxi said that he hoped a new Concordat could be agreed reasonably soon. The sixth draft of an agreement has been prepared and is aimed at bringing up to date the Concordat originally signed by Mussolini in 1929, which is at odds with the 1948 Italian Constitution.

## IMF director proposes alternative debt system

BY MARGARET HUGHES

PROPOSALS for helping developing countries solve their debt problems were put forward yesterday by M Jacques de Groote, the Belgian executive director of the International Monetary Fund (IMF).

M de Groote, who was addressing the Belgo-Luxembourg Chamber of Commerce in London, proposed that loan repayments by developing countries be tied to the pace of the recovery of their economies. As their economic performance picked up, the rate of repayments would be accelerated.

Similarly, if there was an economic downturn, loan repayments would be slowed down. This would eliminate the need for debt rescheduling, he said.

He added that the problems of the developing world had been exacerbated by the "sudden and massive" reduction in commercial bank lending.

The time had come, he said, for more long-term co-operation between the commercial banks and the IMF to replace the present "ad hoc" emergency rescue packages. The IMF, should provide more information to commercial banks on balance of payments forecasting, without breaching confidentiality on exchange rate policy or similar matters.

## Japan agrees to S. Korean steel imports

TOKYO — Seven Japanese trading companies have signed the country's first long-term contract to import steel from a foreign mill, said Japan's leading economic newspaper yesterday.

The companies reached an accord with Inchon Iron and Steel of South Korea to import 60,000 tonnes of H-shaped steel girders next year.

They are Mitsui, Marubeni, Mitsubishi, Sumitomo, C. Itoh, Nissho Iwai and Sanko Kogyo.

Japan's largest steelmaker, Nippon Steel and other domestic steel companies have tacitly approved the contract, said the report in Nihon Keizai Shimbun.

The agreement calls for the seven companies to import at least 5,000 tonnes of steel each month, to be sold in Japan for about 12,000 yen (£35.68) a tonne.

● Japan and the U.S. will hold their first comprehensive talks on a new round of multilateral trade negotiations in Washington on Monday, a government official said yesterday.

The two countries committed themselves to the new round of trade liberalisation consultations during a summit meeting last month between Yasuhiro Nakasone, the Japanese Prime Minister, and President Reagan.

AP

## Chile taxes luxury goods

CHILE HAS imposed taxes on luxury items sold in the country in an effort to compensate for the decline in fiscal revenue caused by the fall in copper prices, writes Mary Helen Spooner in Santiago.

The taxes range from 5 to 20 per cent on vehicles to 30 to 50 per cent on imported liquor. Other items affected include colour TV sets, furs, precious stones and metals, videos and yachts.

It is unclear how much additional fiscal revenue the luxury goods taxes will generate. Chilean business leaders have predicted the measure will only further diminish an already restricted market for such products.

The president of the country's metallurgical industries association has criticised the taxes for failing to discriminate between imported and locally produced goods.



Michael Thompson-Noel discusses the issues in today's poll

# Northern Territory set to snub Hawke

THE Northern Territory—Australia's last frontier—goes to the polls today in an election that is likely to deliver a stinging rebuke to the federal Labour Government of Prime Minister Bob Hawke.

The campaign's main controversies have centred on uranium mining and Aboriginal land rights, and on the claim by Mr Paul Everingham, the territory's chief minister, that the Hawke Government's policies are "cutting the northern territory off at the knees."

Mr Everingham says his Country-Liberal Party will easily retain power in today's election for an enlarged 25-member legislative assembly "because the people of the Northern Territory have had a gutful of being trampled on."

Last month, the Hawke Government paved the way for development of the fabled Olympic Dam copper-gold-uranium find in South Australia.

Yet apart from Olympic Dam, no new uranium finds are to be developed—an embargo that blocks mining at two important Northern Territory finds, Jabiluka and Koongarra.

The companies involved are Pancontinental Mining and Getty Oil (Jabiluka), and Denison Mines (Koongarra). The finds harbour an estimated 214,000 tonnes of uranium. Getty Oil alone has spent A$50m (£31m) on evaluation, testing and royalties to Aborigines.

Approximately a third of the territory is now Aboriginal land, with a further 14 per cent under claim. Royalties paid to Aborigines in 1983-84 will be about A$16m, including A$13.2m from existing uranium mines at Ranger and Nabarlek. However, Pancontinental Mining says the royalties lost to Aborigines at Jabiluka will be about A$10m a year (more than A$200m in total).

The chairman of the Aboriginal Northern Land Council, Mr Galarrwuy Yunupingu, said after meeting Mr Hawke that he was "surprised and upset." adding: "The Prime Minister did not even say they are committed to compensation."

More controversy flared when the Hawke Government announced an enlargement of Kakadu National Park, taking in an extra 6,800 sq kms around the South and West Alligator Rivers.

The decision has been said, in effect, to cancel more than 300 mineral exploration leases, though Mr Hawke said that Kakadu (a masterpiece of nature) would be the scene of A$70m worth of tourist development, involving 1,300 long-term jobs, plus an estimated A$40m worth of private investment.

Again, some traditional owners were distressed — a group of 300 Aborigines deciding last week that they wanted further tourist access to Kakadu stopped, as greater tourist numbers would disrupt their traditional lifestyles.

Many Aborigines prefer mining to tourists, and plan to press for compensation if mine royalties are stopped. (Mr Hawke himself is pro-uranium, and will quote the hard line of the Northern Land Council at next year's Federal Labor Conference, which will once more address the hopeless mishmash of Labour policy on uranium).

Today's poll was called three weeks ago, after Canberra transferred the title to Uluru Nationa Park, which includes Ayers Rock, to its traditional owners without consulting Mr Everingham's Northern Territory Government.

However, in castigating Canberra, Mr Everingham was accused of stirring up racial tension. Mr Yami Lester, an executive of the Pitjantjatjara Council, said: "Aboriginal people are sick of being used as a political football in the Northern Territory."

In Canberra, Labor has appointed a special committee to examine the question of extra financial assistance to the Northern Territory, including an economic package that specifically aids Aboriginal communities.

But that will not help Mr Hawke when the Territory votes votes today.


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مكاتبة الأصل

# European Court to rule on validity of oil ban

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Government has failed to block a move to challenge in the European Court of Justice the validity under EEC law of the UK's ban on the export of North Sea oil to Israel.

The High Court held yesterday that rulings by the European Court were needed to enable the English courts to decide a dispute that arose from a refusal to load a cargo of oil at the Sullom Voe terminal in Shetland because it was destined for Israel.

The UK Government had argued that no question of EEC law was involved.

The oil had been sold by Sun Oil International and Sun Oil Trading to Bulk Oil (ZUG). The sale contract contained the words "destination free but always in line with exporting country's government policy."

The refusal to load at Sullom Voe, which is operated by British Petroleum, was based on a January 1979 policy statement by Mr Tony Benn, then Energy Secretary, effectively banning the export of North Sea oil to Israel.

In the light of that policy an arbitrator dismissed Bulk's breach-of-contract claim against Sun and awarded Sun damages totalling, with interest, nearly $15m (£10.4m).

Bulk contended that the 1979 policy was invalid because of an association agreement made in May 1975 between the EEC and Israel preventing any EEC member imposing new restrictions on trade with Israel.

Both companies asked the Commercial Court to refer questions arising from the Euro law issue to Luxembourg.

Mr Justice Bingham said yesterday the Attorney General contended that no decision on Community law was needed. The Crown's argument was that the oil sale contract should be interpreted according to English law, and that the destination provision in the contract had been included merely to identify destinations to which the oil could and could not be sent.

The judge said Community law could not be so easily sidestepped. The reference to "exporting country's Government policy" must mean lawful policy.

He could not accept that Bulk's apparent right to export to Israel could be properly restricted by reference to a policy which the Government was not lawfully entitled to adopt or pursue.

If the Government was not, as a matter of Community law, free to adopt or pursue a policy of restricting or discouraging exports of oil to Israel, it was at least arguable that private parties could claim to ignore any contractual provision which purported to restrict their rights with reference to such a policy.

The judge made his ruling at the end of a lengthy judgment dismissing appeals by Bulk against the arbitrator's award.

He said the contract had been made at a time when Israel had been suffering from a severe oil shortage as a result of the Arab boycott and the ending of supplies from Iran following the revolution there.

It was plain the negotiations had taken place in the "unreal half-light" that afflicted commercial relations when the ordinary intentions of businessmen were subjected to political and other external constraints.

The judge said the breadth and scale of Bulk's attack on the arbitrator's decisions on liability and damages far exceeded anything he had met before.

That was hardly surprising given the length and complexity of the arbitration, and the fact that the damages award was large.

He did not doubt Bulk felt deeply aggrieved at the outcome, but he rejected all its challenges to the arbitrator's findings.

# Severn issue being studied 'with speed'

ALLEGATIONS that the Government was "burying its head in the sand" over the problems of the Severn Bridge were denied yesterday by Mr John Stradling-Thomas, the Minister of State at the Welsh Office.

He said the Government appreciated concern about the need to strengthen the bridge, to improve alternative routes and to start work on a second Severn crossing.

The engineering consultants' options for strengthening the bridge were being assessed with all possible speed.

Mr Stradling-Thomas was speaking at Newport, Gwent, to the South Wales Freight Transport Association, whose members have been among the strongest critics of recent traffic delays caused by road restrictions on the bridge.

"The Government stands ready to build a second crossing whenever it proves to be needed. This, indeed, has been the position all along, but I am happy to make it clear once more," Mr Stradling-Thomas said.

He claimed congestion was no immediate problem but recognised there was concern about the bridge's ability to deal with the loads it had to carry.

The decisions of Mr Nicholas Ridley, the Transport Secretary, on strengthening would help determine the timing for starting a second crossing

# Brighter future forecast for plastics industry

BY CARLA RAPOPORT

THE British Plastics Federation yesterday forecast a rosier future for the hard-pressed plastics industry.

The federation's latest economic survey of the industry shows that a general improvement in business conditions has taken hold in plastics.

This improvement, marked by higher sales volume and improved plant utilisation, is widely expected to be consolidated in the next 12 months, the federation says.

In a survey of 161 plastics companies, which account for £2.5bn in sales per year, the federation found that volume increases of more than 5 per cent have been recorded by nearly all the material suppliers, more than half the plastic processors and more than a third of the machinery, moulds and dies sectors.

In spite of these improvements, the federation struck a note of caution. "Before we feel tempted to get the champagne out, let us remember that this represents a partial recovery from a very low base," Mr T. D. Culpin, deputy director of the federation, said at yesterday's annual economic conference in London.

The recent recovery in volume has brought a welcome improvement in plant utilisation. Material suppliers are showing the best utilisation levels, ranging between 70 and 90 per cent in the last 12 months.

Overcapacity among manufacturers of machinery for the industry, however, is still high among many companies. The survey shows 23 per cent of these companies operating at below 60 per cent of capacity.

In plastic processors, plant utilisation is now about 70 per cent.

The federation survey includes the following highlights:

- Further growth is expected in domestic sales in the next year, when the machinery sector is expected to show more improvement. More than half the processors expect real growth to exceed 5 per cent in the next year.
- Exports throughout the industry are expected to grow in the next year, but not as strongly as home sales.
- Prices have been the strongest among plastic materials, with machinery prices the weakest. Both machinery makers and processors are determined to push through more price increases in the next year.
- The overall profit picture has started to improve, especially for materials suppliers. Substantial improvements can be expected for the next year.
- A large part of the industry has reduced stocks, especially of raw materials, and few are building up stocks.
- Only a minority of companies reduced capital investment over the past 12 months. Increases are widely expected in the next year, with processors most keen to invest in new machinery.
- Reduction in labour appears to have abated, with one-third of the companies in machinery and processing expected to increase staff in the next year. In materials, however, more staff reductions are foreseen.

# GKN to invest £6.5m in lightweight springs plant

BY JOHN GRIFFITHS

GKN, the UK engineering group, is investing £6.5m in a new plant which it claims will be the first in the world to produce in volume composite plastic springs for commercial vehicles.

The plant, to be set up at GKN-Sankey division's site at Telford in the West Midlands, will be capable of producing eventually 500,000 springs a year for vehicles ranging from light commercials to heavy tractors.

A new division, GKN Composites UK, has formed to undertake the venture. Production should begin early in 1985. GKN said last night that while one contract had been signed with "a major UK-based vehicle maker," talks were going on with several big manufacturers on the Continent.

The U.S. truck market also offers considerable potential, and may mean setting up a manufacturing plant there.

GKN believes it has a lead of at least two years in the introduction of these springs. If so, the sales potential of the product is considerable. The worldwide market for commercial vehicles is expected to stand at 10m units when the UK plant reaches full production.

About £4m has been spent on research and development for the springs, which GKN said used an entirely new production process.

Made from glass-fibre and epoxy composite the springs can save 500 kg (half a ton), compared with metal springs when installed on a heavy tractor, or 25 to 50 kg on a light commercial vehicle.

GKN claimed they were "fail-safe"—if they broke due to overloading, they split lengthwise, allowing a vehicle to be driven to a depot for repair.

# Desire to work 'declining in advanced economies'

BY JOHN LLOYD, INDUSTRIAL EDITOR

AN international report on the work ethic has found a decreasing commitment to work in all the advanced economies — including Japan and West Germany — and warns: "To continue to drift will gradually undermine our political stability and economic well-being."

The report, by the U.S. Aspen Institute, was launched in London yesterday by Mr Pehr Gyllenhammar, chairman of Volvo of Sweden, and Mr Hamish Orr-Ewing, chairman of Rank Xerox of the UK. It marks the first stage in a project aimed at influencing policymakers from the advanced countries to rethink and restructure policies and legislation on employment, industry and the working life.

Social scientists from Britain, West Germany, Japan, Israel, Sweden and the U.S. compiled a range of social and attitudinal data for the report. The result is a wide-ranging series of findings and policy options which together argue for urgent and radical action to reshape both processes and attitudes.

The report identifies a number of factors which have "placed incredible strains on the economies of the industrial democracies." These include:

- New competitors: the four or five major competitor countries of a few decades ago have grown to 20.
- The international monetary system, which lacks "stability or fixity."
- Complacent leadership, including "bloated bureaucracies" and "unrealistic union attitudes."
- A reluctance to give up entitlements, coupled with the burden of support for social programmes and increasing rejection of authority.

The report calls for a dual goal strategy. "One goal is to devise new approaches to strengthening economic performance. The other goal is to keep faith with humane values while strengthening the economy."

Overall, the report calls for a recognition of the social principles that no one who wishes to work should be wholly without a job; that no one should have work in excess where others have none; and that "while there may be no economic justification for employing everyone who wants a job in a modern technological society, there is ample social/political/moral justification to give everyone some degree of access to paid working."

# British wine consumption rises fourfold

BRITONS drink more than 35m cases of table wine a year, four times the figure 12 years ago.

More than 35 per cent of all wine consumed comes from France and half of it is red. Overall, red wine consumption in the UK represents only 30 per cent of the market, according to Grants of St James's.

West Germany is Britain's second biggest supplier accounting for about 21 per cent of consumption. Almost all of it is white and most is slightly sweet.

Yugoslavia sends nearly 2m bottles to the UK and Austria half as much. Bulgaria and Rumanian shipments are rising.

Italy has increased its sales to Britain tenfold in the past decade and about 5m cases a year are now drunk. Spain's wines, heavy and more alcoholic, have a 12 per cent market share, of which two-thirds is white. With the falling popularity of rose wines, Portuguese imports have dropped to about 500,000 cases.

Californian wines have taken a 1 per cent share of the market in less than two years and now have the same share as Hungary. Sales are still growing.

Other areas sending wine include the Lebanon, Chile, China and Tunisia. Wines from Australia and New Zealand are also increasing in popularity.

# Car dealers' discount war continues

By John Griffiths

THE fierce battle for sales in the UK new car market is creating some startling discounts: in Cardiff, for example, one dealer is offering a £2,782 discount on a 2-litre HLS Austin Rover Ambassador. The list price, including taxes, is £7,532; the dealer's price is £4,750.

His offer is particularly low, perhaps symptomatic of common cash flow problems at the end of the year. But such discounts have been made possible by manufacturers offering wholesale price cuts to their dealers on models going out of production or being replaced.

Austin Rover has cut its wholesale price on the Ambassador, which went out of production in October. Stocks of several thousand exist, although fewer than the 30,000 Ford Cortinas remaining when the Sierra was introduced.

Dealer bonuses are also being offered on Austin Rover's Ital models. Dealer prices of as little as £3,895, on the road, are advertised for the 1.7SL estate model, a reduction of nearly £1,600 on the list price of £5,400.

The Ital is still being produced, as it will be Austin Rover's only estate car and largest van model

# Cable teletext 'set to grow'

BY RAYMOND SNODDY

TWENTY per cent of Western Europe's 120m homes could have a teletext service delivered on cable television by the early 1990s, according to the findings of a research project.

Cabletext as the service is called could generate annual revenue of £890m within 10 years on these assumptions, with 12 per cent of homes on full services, says CIT Research.

The findings are based on a survey of 2,500 households in five countries, and detailed research on the 1.7m homes in the UK which have teletext.

Mr Patrick Whitten, managing director of CIT Research, said yesterday that cabletext was cheap and flexible. If it could be targeted to a specific audience, it could outgrow public viewdata, particularly with the most sophisticated forms of cable networks.

"It should turn out to be a hardy perennial and produce useful income for cable," Mr Whitten said.

Details of television programmes seem to be the information most required. Some 80 per cent said in the survey that such a service was ... d.

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# AB Electronic to supply parts for IBM computer

BY ROBIN REEVES

THE WELSH-BASED AB Electronic Products Group announced a multi-million pound contract yesterday to supply printed circuit sub-assemblies for IBM's new personal computer.

AB Electronic's share price rose 85p to 920p after this was announced.

The precise value of the contract is secret, at IBM's insistence, but it clearly marks a significant expansion in production of the IBM personal computer, selling at between £2,000 and £4,000.

The range was launched at the beginning of the year on the European market by IBM's Greenock plant in Scotland. Until now the personal computer has been sold in Europe mainly through independent dealers. IBM plans to step up sales sharply through its own marketing force next year.

Mr Henry Croch, AB's chairman and managing director, said it was easily the biggest value contract secured by the company, and would accelerate AB's already rapid growth in information technology, automotive electronics, defence, and telecommunications.

Only two years ago the company's shares stood at less than 100p.

Mr Croch said later that the *group's turnover*, which totalled £39.4m in the 12 months to June 1983, could exceed £100m in three years' time.

*As a result of the new contract* considerably more factory space and employment opportunities will be provided at the recently-opened Rogerstone factory, Gwent, assuming that negotiations for Welsh Office selective financial assistance are concluded satisfactorily.

The Rogerstone site is already responsible for sub-contracted manufacturer of BBC micro-computers, Acorn Electron micro-computers, and a micro-processor-controlled switching system which AB has developed for the new Jaguar XJ40 car.

Although a long-established public company, with its 50th anniversary due in 1985, AB has recently expanded rapidly both by moving up-market into electronic systems, rather than just components and diversifying into new markets in military as well as civilian applications.

It now has 10 manufacturing places *in the UK and abroad.*

AB has undertaken sub-contract *work for IBM since 1966.*

The announcement of the contract was made at AB's annual meeting in Cardiff yesterday, where a 118 per cent increase in profits before tax to a record £2.8m and a rise in return on capital employed from 16 per cent to a record 25 per cent were reported to shareholders.

Mr Croch noted that by the end of the financial year last June, the group's order book *had doubled* and with the IBM contract and other work which *had come in "the group's overall* order position is extremely strong."

The meeting approved a two-for-one scrip issue of Ordinary shares to bring the share capital more into line with the net worth of the company and make the shares more marketable.

# Sun Oil N. Sea project approved

BY IAN HARGREAVES

SUN OIL yesterday *received* government approval for the *£400m development of the Bal*moral oilfield in the North Sea.

But it was put under strong pressure to place the order, estimated to be worth £100m, for the field's floating production platform with a British supplier.

Mr Alick Buchanan-Smith, the Energy Minister, said he attached great importance to the construction contract going to a British yard.

A front-runner for the job is Cammell Laird, the Birkenhead yard which is part of state-owned British Shipbuilders. *The other is Howard Doris,* a small London-based company *which has a fabricating facility* in Kishorn, Scotland. Howard *Doris is a partnership* between John Howard, the UK civil engineering contractor, and *C G* Doris, of Paris.

Cammell Laird is considered to have the political edge in the contest, but Howard Doris has been vigorously lobbying with the view that the future of offshore fabrication in Britain lies in the private rather than the public sector. Both companies badly need more work.

North Sea Sun, the UK arm of Sun Oil Company of the U.S., said it wanted to tow the vessel to Balmoral in autmun 1986 for *production to start the following year.*

The field is estimated to contain 215m barrels of oil, of *which just over 30 per cent is* recoverable over a 12-year production period. The peak flow rate is put at 35,000 b/d.

Sun's partners in the field are Union Rheinische, Clyde Petroleum, Hampton Gold Mining Areas, Thomson North Sea, Britoil, Arco, Carless Capel and Leonard and Goal.

Balmoral is 140 miles off the the north-east coast of Scotland in 470 ft of water.

# Forecast for construction industry criticised

By Andrew Fisher

A FORECAST of stagnating UK construction output by the National Council of Building Material Producers (BMP) was immediately criticised yesterday by Mr Patrick Jenkin, Environment Secretary.

Mr Jenkin said the BMP *estimate that construction* output would fall by 1 per cent in *1985 after a 1 per cent rise* next year, was "unduly pessimistic."

The deep pessimism expressed in recent weeks by construction industry employers has been *in stark* contrast to the Government's own statistics which show a 15.5 per cent increase in new construction orders during the first nine months of this year, compared with the corresponding period in 1982. None the less, the Federation of Civil Engineering Contractors said that its October workload survey was the most gloomy it had published in the last six years.

For 1983, the BMP forecast a 2 per cent increase. It said the strong recovery in house building and home improvement work had more than offset the decline in non-housing construction.

Housing starts this year were expected to be 165,000 in the private sector against 141,000 in 1982. But the BMP saw these falling to *145,000* next *year and 130,000 in 1985.*

The fall-off in construction output forecast for *1985* was wholly attributable to an *expected* decline in house building and home improvements, the BMP said. With inflation and money supply growth in 1984 likely to be higher than the Government would like, "deflationary fiscal or, more likely, monetary measures would be aimed at the consumer sector." New home sales and improvement work would thus suffer.

Housing starts had been higher this year than justified by the market, said the BMP, *and hence the fall expected in* 1984. Including public housing, *it expected starts to be 210,000* in 1983, 185,000 and 1984 and *175,000 the following year.*

Mr Jenkin, however, said that "as far as housing is concerned, the prospects are far from discouraging." This year's private housing starts total would be the highest since 1973.

He said it was hard to square the BMP forecasts with the Government's own returns — "3 per cent growth in construction output already this year and new orders for the first nine months of the year, 16 per cent up on the same period last year."

# Slow progress in Messenger dispute

BY DAVID GOODHART, LABOUR STAFF

*THERE WILL still be obstacles* to a resolution of the Messenger dispute when talks between Mr Eddie Shah, chairman of the newspaper group, and senior officials of the National Graphical Association start on Monday.

Both sides have conceded something in simply agreeing to talks — the union by calling off the pickets for a week and Mr Shah by *relaxing his previous* condition that the pickets had *to be permanently withdrawn.* But further agreement on the *original dispute looks highly* unlikely next week.

Aside from the principles at stake there is—as might be expected—enormous mistrust between the two *sides,* especially between the two chief *negotiators. Mr Shah and Mr* Tony Dubbins, general secretary *elect of the NGA.*

Mr Shah believes he has been double-crossed on a number of occasions, most seriously at Acas talks a fortnight ago when he says Mr Dubbins said the "Stockport six" would be looked after by the union and reinstatement would not be a major issue. Mr Dubbins in turn accuses Mr Shah of being impossible to negotiate with. "Every time we get to the winning post he moves it," he said.

Mr Shah and the union have agreed *that negotiations on* Monday start again from scratch.

*In the past two weeks the* central difference has been reinstatement of the six, but the emphasis is now likely to swing back to the original focus of dispute—the closed shop. Mr Shah last year refused to accept *the closed shop at his plants* in Bury and Warrington, which led *to the six NGA men being called* out on strike and then sacked.

A post-entry closed shop was *agreed throughout* Messenger at Acas two weeks ago and negotia*tions only broke down over* reinstatement. But a number of *developments make it unlikely* that a closed shop will be on offer again.

Mr Shah emphasises that the post-entry closed shop was only conceded as part of a package two weeks ago when that package was refused the closed shop offer was withdrawn.

*Mr Shah and seven of his* staff left the NGA following *further violent scenes on the* picket lines last week and he *now says he will not accept* the closed shop.

More important, his 12 staff at Warrington have rejected the post-entry closed shop in an informal vote. Although it would only affect future employees, in a fast expanding company there could be a majority of NGA members in a few years' time. Mr Shah could probably use his influence with his staff to force acceptance of the post-entry *closed shop*—but it now appears he does not want to.

The closed shop *is also a* much stronger issue for Mr Shah to stand and fight on and he would receive more enthusiastic support from the Government, other employers and public opinion on this issue. The cause *of the "Stockport six"* is conversely a much stronger issue for the union.

If the union feels it is up against the ropes it may have to forget the post-entry closed shop and, in effect, accept a worse deal than it has already been offered. That stage has *probably* not been reached yet, although the experience of previous disputes such as Grunwick suggests than once the picketing is called off *it is difficult to re*kindle mass support.

However, *if the NGA simply* concentrated its fire on reinstatement, a deal should be possible. Mr Shah last week said that if binding *arbritration* demanded reinstatement he would accept that and set up a new company to employ the men. More recently there have been two new suggestions mooted.

First, that the men would be re-employed loosely under the auspices of the Messenger Group, but someone else would pay their wages.

Secondly, Mr Shah would sell—or even give away—the Fineware typesetting plant in Stockport where the six were originally employed. Mr Robert Maxwell, chairman of the British Printing and Communications Corporation, has been mentioned as a possible buyer. He has already offered to buy Mr Shah's entire company and was politely turned down.

If a deal along those lines can be agreed, the company will withdraw the two further writs for contempt *due to be heard* by the Manchester High Court next Friday in respect of picketing last week and this week. It will not, however, withdraw its claim for about £60,000 in damages from the union even *if agreement is reached.*

But the closed shop will probably be *the stumbling block,* although Mr Shah does say he will recognise the union (without the closed shop) if anyone wants to join. He has also said he is prepared to interview people off the NGA unemployed register, but he will not be committed to employing them.

Another problem for the union is that unofficial picketing might continue next week, with militants wanting to settle scores with the police. If, on the other hand, there is no picketing at all it will be difficult to argue in court that the pickets over the past few weeks have been spontaneous demonstrations.

# 'One picture does not prove a conspiracy'

**David Goodhart** looks at moves behind the Messenger scenes

REPEATED *union claims that* Mr Eddie Shah has powerful *secret backers egging him on* to destroy the National Graphical Association and *thus* deal a severe blow to the whole trade union movement appeared to gain some credibility in the House of Commons on Thursday.

However, one picture of Mr Shah in conversation with Mrs Margaret Thatcher — waved triumphantly from the dispatch box by Mr Neil Kinnock, *leader of the opposition Labour* Party, does not prove a con*spiracy. There is little evidence* to doubt Mr Shah's explanation *that he was attending a party* given by his MP along with *400* other people, many of whom had a brief word with the Prime Minister.

The MP — Mr Fergus Montgomery (Con, Altrincham and Sale), *is one of four who have* had contact with Mr Shah over *the last two weeks. The others* are Mr Teddy Taylor, MP for Southend East, *who visited one* of Mr Shah's offices for a private chat, Mr *Alistair Burt,* MP for Bury North, and Mr Tony Favell, *MP for Stockport.* Both local MPs have been in telephone contact.

Mr Tom King, Secretary of State for Employment, has called for a negotiated settlement, but there is strong support from ministers for Mr Shah's stand. The Government clearly believes this is a good dispute to test the laws, although there has been some concern at Mr Shah's occasional lack of consistency.

A number of business and right-wing pressure groups would dearly love to "adopt" Mr Shah in the way that the National Association for Freedom worked with Mr George Ward during the Grunwick dispute.

But Mr Shah is not highly political and has a competent team of legal advisers from Cobbett's of Manchester. Although his political views are probably right of centre, he also has a strong liberal streak and says the only party he has ever considered joining was the Communist Party when he was 21.

He says he has voted for all three political parties but as a manager is deeply imbued with the philosophy of the "right to manage" and strongly supports the Government's trade union reform.

The Institute of Directors has been in touch on more than one occasion to offer him their legal and research facilities, an offer he has not taken up. He has also received calls from the editors of the Times, Sunday Times, Daily Mail and Daily Star newspapers.

But he says he has been most heartened by the two or three hundred calls he has received from members of the public and other businessmen offering their moral support.

# Technology 'could destroy' closed shop

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE *uncontrolled introduction* of new technology could destroy the *National Graphical Asso*ciation's closed shop arrangements, Mr Joe Wade, general secretary, has warned members.

Many employers, and certainly the Government, would like to see the end of the union's closed shop, says Mr Wade in a union newspaper.

"That is *why* we must all be determined to ensure that any *new technology, plant, equip*ment, machinery or new techniques are not *foisted* upon us without proper discussion, negotiation and agreement."

The views *of Mr Wade* and other NGA leaders on the sensitive new technology issue are contained in Project See-through—a newspaper produced in response to Project Break-through, the Newspaper Society's attempt to reach agreement with print unions on the maximum use of new electronic techniques in the provincial newspaper industry.

Leaders of the Newspaper *Society, which represents* regional and local newspaper *publishers, have said that they* want an enabling agreement on new technology concluded *before the end of next year.* One of the central demands of *the employers will be for single* keystroking, which could give journalists and advertising staff direct entry to computer production systems at present controlled by the NGA.

M Wade says the NGA "is not and cannot be opposed to technological change" but it *must come after proper negotia*tion and satisfactory agreement.

*Mr Tony Dubbins,* general secretary designate, sets out in the newspaper the three-stage approach which the union has adopted towards companies *seeking to introduce direct-entry* systems. This starts with the *introduction of VDT screens* in editorial departments on which writers originate copy and moves on to sub-editing on screens.

The third phase is direct entry. "We have not yet reached *that* stage *with any* employer," says Mr Dubbins, "*but we must accept that* if the first two stages prove successful, it will be difficult to resist the weight of evidence of the practicalities of co-operating with stage three."

# Pilkington takes case to U.S. court

By Ian Rodger

PILKINGTON BROTHERS is *intensifying its legal action* against Guardian Industries of the *U.S.* for *alleged infringe*ments of the British company's patents on the float glass process.

On Wednesday, Pilkington *filed suit against Guardian in* the U.S. District Court for the Eastern district of Michigan seeking an injunction, unspecified damages and the issuance of declaratory judgments.

Guardian has a Pilkington license covering the float process at its U.S. plants, but refused to buy one for its 70 per cent owned Luxembourg subsidiary, Luxgard, which began production two years ago.

Pilkington sued Guardian and Luxgard in a Luxembourg civil court at the time for patent infringement and misappropriation of the company's know-how. Both sides said yesterday the action was still at an early pre-trial stage.

Since then, Guardian has arranged to provide technical services for a proposed float plant in Indonesia and has decided to build a second float plant in Europe, at Schaffhausen in Switzerland.

By taking its legal battle to the U.S. court, Pilkington is attempting to prevent Guardian from further alleged misappropriations of its know-how.

*Guardian* said the Pilkington litigation was "without merit." *The company* contends that it has developed most of the tech*nology involved over* the past decade and that the patents have expired *on the* parts originating with Pilkington.

*Luxgard* is the only glass manufacturer in the world *using the float process that has* refused to take out a Pilkington licence.

# Early decision pledged on £550m Airbus launch aid

BY KEVIN BROWN

THE GOVERNMENT yesterday promised a decision early in the new year on whether it will provide £550m in launch aid for the A-320 European Airbus.

*However, Mr Norman Lamont,* Minister of State for Industry, made clear in a *Commons* debate that the Government is unhappy about the 26 per cent share of the project allocated to British Aerospace.

A bigger share of the project, which Britain "could and should have" *he said, would be* a relevant consideration.

*Airbus Industrie, the six*-nation consortium which will build the Airbus, wants BAe to design and build the wings, as it did for the A-300 and A-310 versions.

The 150-seat plane would complete the Airbus range of wide-bodied jets, allowing it to compete better with U.S. manufacturers, particularly Boeing.

BAe has asked the Government for £440m in launch aid *to finance its share of the pro*ject. Rolls-Royce wants another *£113m* to finance development of its V2500 engine, which it is hoped *will power the plane.*

Ministers have made no secret of their determination to ensure Britain gets value for money from the project. The Prime Minister fears it could turn into another Concorde — a technological wonder and a financial disaster.

Mr Lamont said the Government had promised the dena*tionalised* BAe *the same access* to launch funds as its State-owned predecessors. But he gave several reasons why the A-320 project may prove difficult to support.

If the aircraft was to recover its costs it would need to sell in high volume, breaking U.S. domination of the market, which would not be given up easily.

*Therefore it would be* crucially important to match U.S. productivity. Mr Lamont indicated doubts on whether Airbus Industrie's structure would allow it to make the necessary savings and push for maximum efficiency.

Conservative backbenchers, aware of the Government's critical approach to funding the *project, put Mr Lamont* under some pressure yesterday.

*Mr Jonathan Sayeed, MP for* Bristol East, told him: "By *this decision* the Government would be deciding whether we should have an aerospace *industry at all.*"

# Ulster power bid rebuffed

BY MARGARET VAN HATTEM

ULSTER'S Official Unionist Party yesterday failed to win back some functions of government while bypassing the nationalist minority.

Mr Nicholas Scott, punior Minister for Northern Ireland, said there could be no return of power without the agreement of constitutional nationalists such as the Social Democratic and Labour Party.

Provisions in the Act setting up the *Northern Ireland Assem*bly, which made devolution of power conditional on "widespread acceptance throughout the community," were not a platitude, Mr Scott told the Commons.

He was replying in a debate on a private member's Bill pre*sented* by Mr Ken Maginnis, Official Unionist MP for *Fermanagh and South Tyrone,* which sought to remove from the Act the obligation to win the consent of the nationalist *minority.*

# Private housing starts up on last year

By Lynton McLain

PRIVATE SECTOR housebuilding starts were 15 per cent higher in the August-to-October period than in the corresponding period last year, but were 3 per cent down on the previous three months.

Mr Patrick Jenkin, Environment Secretary, said the industry was on target to start *work on 165,000 homes* in 1983, the highest number for 10 years.

In the public sector housebuilding starts were 25 per cent lower in August-October against *the same period last year.* Public sector starts were 4 per cent down on the previous three months this year.

Total starts were 3 per cent down on May-July, but 4 per cent higher than in August-October last year.

Total completions were down 1 per cent on the previous three months, but 9 per cent higher than a year ago.

The figures, from the Environment Department, show a total of 143,500 housebuilding starts in the private sector this year, including October. In the same period the total of housebuilding starts in the public sector came to 40,100.

In the corresponding period last year there were 119,200 starts in the private sector and 43,500 in the public sector.

# Rebel miners call off plan to defy ban on overtime

REBEL MINERS in North Staffordshire yesterday called off their plan to defy their union's national overtime ban.

More than 40 winding gear operators, who carry out maintenance work at five pits were due to return to six-day shifts from today. Now the men, members of the National Union of Miners' Power Group, have postponed their action until January 7 and called for a national ballot for a return to normal working.

Mr Roy Ottey, power group leader, urged the winders not to break the five-week overtime ban.

our discussions, *they* have put off their action until the first Mr Ottey *said:* "Following weekend after the Christmas holiday *and have given* the national executive committee *one month* to organise a ballot.

"It will take a majority vote *by the NEC* to implement a ballot and they do not meet *until* December 20. The winders feel that they speak for a lot *of miners* and they want to see what the mood is nationally."

# Deadlock at Park Royal plant

BY OUR LABOUR STAFF

THE bumper Christmas issue of the Radio Times could be hit by the continuing dispute at the Park Royal plant of the British Printing and Communications Corporation.

Talks between BPCC and the general print union Sogat '82 appear to have reached deadlock over the introduction of new machinery and manning levels at the plant. An *emergency* meeting of the Sogat executive is expected to discuss the present impasse early next week.

## BAe to meet unions on factory closure

BRITISH AEROSPACE has accepted a union request to discuss the future of the company's factory at Hurn Airport in Christchurch, Dorset.

Sir Austin Pearce, the chairman, has said the factory must close next June, but the unions say they can prove it could be viable using workforce of 1,000 instead of 2,000 as at present.

## Lincoln plant to shed 88 jobs

CLAYTON DEWANDRE, the *brake components manufacturer,* is to make 86 workers redundant *at its factory* in Lincoln.

The company employs 800 *workers and blames* the declining commercial vehicle market *for the* job cuts. Less than a year ago 100 workers were made *redundant by* the company.

## BT unions to step up campaign

LEADERS of British Telecom's six *unions* decided yesterday to step up their publicity campaign against the Government's plans to privatise BT and to concentrate on altering the Government's bill in the House of Lords.

## Tyne garment factory *to shut*

THE CARRINGTON garment *factory* in Gateshead, Tyne and Wear, has told 200 workers that they will be made redundant from next March when the plant closes.

The company, which makes men's wear and rain wear, said that Far East competition *had* led to the decision. Efforts are being made to find a buyer *for* the factory.

# Talks start on Shell strike

TALKS STARTED at a Cheshire hotel yesterday amid high hopes of an early end to the strike at Shell's oil refinery at Stanlow, Ellesmere Port.

*Union* leaders representing 2,300 workers, in the seventh week of their dispute, met management, with both sides said to be determined to reach agreement.

It is believed an offer of about 6.1 per cent is on the table, similar to that accepted by workers at Shell's other refinery at Shellhaven, Essex, on Thursday.

# Changing the face of transport in London

**Hazel Duffy** *examines a Bill that will* set up board to oversee services in capital

MAJOR CHANGES in the organisation of London Transport, *and in the way it is supported* financially, are among the pro*visions in the London Regional* Transport Bill published yesterday.

The major organisation change will be the establishment of a London Regional Transport (LRT) board. The board, of between five and 12 members, will be appointed by the Secre*tary of State for* Transport.

The establishment of LRT will take LT away from the control of the Greater London Council It will be restructured as a nationalised industry also responsible to the Transport Secretary.

The Bill, which the Government *says is aimed* at making LT more efficient and offering better services *to the* public, gives greater encouragement to private bus operators *whether they are competing with LT,* or operating in agreement with LRT *if* it can be proved the private sector can run services more cheaply.

LRT will be required to form separate companies to run the bus and Underground services, making possible the involvement *of private capital* in the subsidiaries and the disposal of parts of LRT's operations. LRT will also be able to form companies for other functions.

The Secretary of State will collect, through a levy on rating authorities, a contribution from Greater London ratepayers towards his expenditure on grants to LRT. The amount to be raised is not to exceed two-thirds of the estimated budget *of LRT. The* balance will be *contributed from central Gov*ernment funds.

Other financial changes will mean that private operators which have an agreement with LRT will be eligible for grants or loans from the board. A limit of £100m will be set on the total amount of loans made *to LRT and its subsidiaries,* guarantees given by LRT and its subsdiaries and Treasury guarantees. This limit can be changed by resolution in the Commons.

Changes with regard to increasing co-operation with British Rail's operations in the London region will be via a non-statutory liaison body. But reserve *powers enabling the* Secretary of State to confer additional functions on LRT, under which the board would become the subsidising authority for BR's London services, are contained in the Bill.

LRT will be required to prepare a plan within a year setting out in general terms its policies and proposals, and those of its subsidiaries, after consultation with BR, local authorities, the users' consultative body and others. LRT *will determine the general level* and structure of fares.

*A single new users'* consultative body, to be known as the London Regional Passengers' Committee, will be set up in place of the existing users' bodies for LT and BR.

Arrangements between local authorities and LRT for the granting of travel concessions (to the elderly and disabled) and for reimbursement by the local authorities will be made, which are similar to the present arrangements.

# Of bids, beer and Beecham

## LONDON

ONLOOKER

MORE bruising, big timeaction on the takeover front and a clutch of good results from blue-chip companies should have been enough to set shares on their way to new records. And so it proved — but only for a while. On Tuesday, the FT Industrial Ordinary Index burst through to its all-time peak of 746.7. Since then, however, the market has been unable to follow through and the Index has lost a handful of points.

Next week could be set for a repeat of all this action. Allianz, the German insurer battling against BAT Industries for control of Eagle Star, has until this Monday to decide whether to raise the ante once more and to open another week with one more stratospheric bid.

The state of play at the moment shows Allianz with a £900m cash offer on the table which BAT, the diversified tobacco group, has promptly capped with a recommended deal worth just £13m more. On Thursday, BAT won approval from its shareholders to spend money on this scale in pursuit of its diversification target and also put a loan and capital note alternative into the pot.

Several more FT Index constituents will be reporting this week but, for all the strength of Courtaulds' recovery and ICI's continued attraction to U.S. investors, companies unveiling profits recently have been largely unable to hold previous good gains. Beecham, which had led the market upwards before its Wednesday statement, was a noticeable case in point.

Of the price movements recorded by DataStream between Thursday last week and Thursday this week, De Vere Hotels, Sound Diffusion, Yule Catto, Marshalls (Halifax), 600 Group and Crystalate Holdings have proved the most rewarding investments.

The first company of any real size—capitalised at over £200m—to feature on the best performers list is Royal Bank of Scotland. Its second half was notably happier than the first—particularly in relation to bad debt provisions and the cost of wholesale funds—and the shares were better by 12 per cent.

At the other end of the scale, Burnett and Hallamshire was still suffering from the sudden void in property development profit and UEI—the so-called "club" of engineering and electronics entrepreneurs—has also been in free fall. Its shares were quite the worst performers of the week with a drop of 13 per cent.

An information vacuum between the company and the financial community appears to have developed in the past week or so which the group will be anxious to fill at a hastily arranged briefing for institutional investors on Monday afternoon.

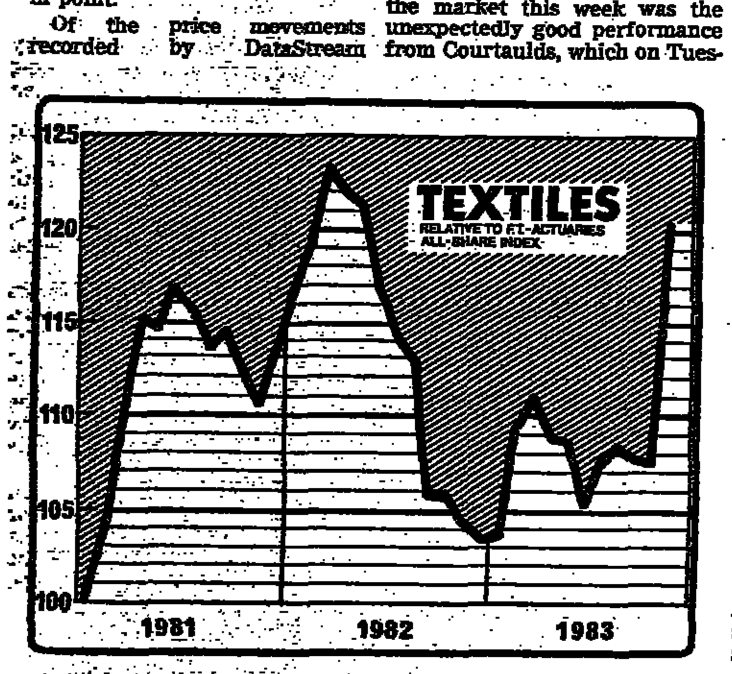
### Textile vigour

One of the brighter spots for the market this week was the unexpectedly good performance from Courtaulds, which on Tuesday announced interim pre-tax profits more than doubled at £47.7m. All the signs are that the recovery in the UK textile market, which made its first hesitant appearance late last year, is now firmly established.

This has had a galvanising effect on Courtaulds' profits, since the areas of upturn are characterised by high fixed costs, with extra volume therefore coming straight through to the bottom line. Improved demand is partly the result of an end to destocking in the textile pipeline, so it may be difficult to sustain momentum at this kind of rate. But with figures this impressive, the market is not in a mood to quibble.

Confirmation came from Dawson International, which on Wednesday produced its own interim results. The upturn was less dramatic, with pre-tax profits ahead by 12 per cent at £8.9m, but Dawson specifically attributed the improvement to better market conditions.

The message has not been lost on the stock market. The textiles sector has gained more than 10 per cent relative to the market in a matter of days and now stands 40 per cent higher in absolute terms than it did a year ago. Among individual stocks, Coats Patons, Dawson and Tootal are all at their year's highs, and Courtaulds gained 12p, or 11 per cent, over the week.




### Opec jitters

There is rarely any shortage of news in the world oil sector, whether it be an announcement on the opening of a North Sea field, developments in the South China Sea or the introduction of fresh tranches of Government controlled equity to the stock market.

But the result which all oil share holders will be looking for most — especially the subscribers for British Petroleum's last issue at 435p per share — is the Opec decision on pricing. BP shares added 2p to 416p after a good third quarter performance but the group, like the rest of the sector, will be subject to nervous jitters until a clear pronouncement from Opec is given.

Net profits in the period between July and September reached £324m against £213m in the third quarter of 1982 although the welcome upturn in downstream profitability seems to have lost a little steam. A strong dollar from mid-summer onwards has lifted stock profits but the counter-effect has been a fall in European oil trading profitability.

### Sluggish drugs

If Beecham just produced consumer products it would be praised as a well managed, consistent business, achieving above average returns with its wide product range. But almost half of group profits comes from pharmaceuticals where a much more dynamic performance is expected.

So the market seemed disappointed on Wednesday with interim figures of £128.5m before tax, up around 10 per cent after allowing for the effect of the rights issue proceeds.

Beecham is making good inroads into the supermarket shelves of the U.S. after some heavy marketing costs and will achieve respectable organic growth in the consumer products division. But to maintain or improve on a 10 per cent growth in profits, the pharmaceutical division need to pull out the stops. Unfortunately, short term prospects here are not promising.

The launch of Beecham's new drug Relifen is being delayed against a general background of concern after the withdrawal of three anti-arthritic drugs recently.

### Allied bubbles

Cost-cutting at Allied-Lyons was one of the reasons why the group did better than the City had expected in announcing a 23 per cent increase in pre-tax profits for the half year to September 17.

The shares, which had been drifting for the past year, perked up a little when the result came out on Tuesday, rising 3p to 153p. A bout of profit taking sent them back to end the week at 145p.

The net interim dividend was lifted from 2.2p to 2.42p—the previous year's final was 3.85p.

The result was partly flattered by the absence of industrial disputes, which had cost Carlton bakery £3m in the comparable period. Beer volumes improved less well than expected, since the hot summer did little better than make up for a damp cheerless spring.

Wines and spirits recorded the strongest underlying trading growth. Despite severe high-street competition for Victoria wine, the division's profits were up 17 per cent.

Sales growth was most marked at Britvic and Coates Gaymer—again thanks to the hot summer, while the cheapness of sterling against the dollar boosted the value of exports to the U.S. by Harveys and Teachers'.

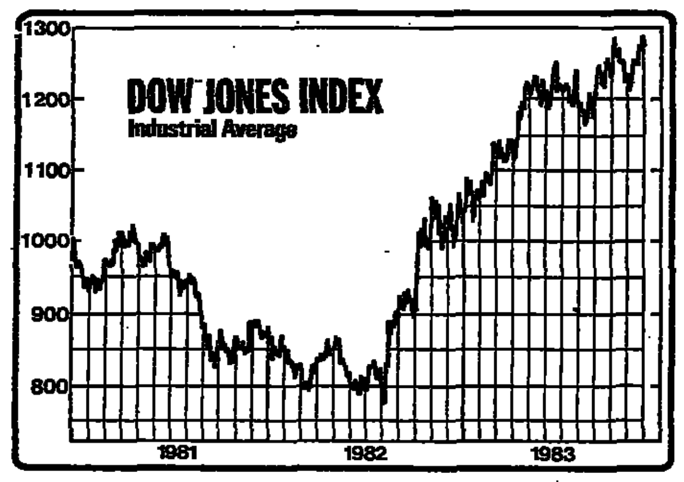
Food profits—which include Carlton—were up by 29 per cent, mainly thanks to a summer boom in ice cream and soft drinks sales. Tea and coffee margins were stable.

The beer division — which accounts for half of group profits, against 30 per cent for wines and spirits and 26 per cent for food—showed an 11 per cent profits increase. The comparatively dull performance is roughly in line with the market, but growth could improve as Allied continues its cost-cutting and pub renovation programme.

Initial indications for Christmas trading of wines and spirits are good, so the group could well make £185m in the full year, against £159.6m.

## MARKET HIGHLIGHTS OF THE WEEK

| | Price y'day | Change on week | 1983 High | 1983 Low | |
|---|---|---|---|---|---|
| F.T. Ind. Ord. Index | 741.3 | + 4.8 | 746.7 | 598.4 | Good co. results/U.S. influence |
| F.T. Gold Mines Index | 580.6 | +76.0 | 734.7 | 444.6 | Strong rise in bullion |
| Belhaven Brewery | 33 | + 8 | 35 | 18 | Results/Virani controls 23.9% |
| Brickhouse Dudley | 58 | −10 | 73 | 46 | Halved interim profits |
| Crystalate | 181 | +21 | 191 | 153 | Wins control of Royal Worcester |
| Eagle Star | 698 | +53 | 702 | 345 | Bid situation nears climax |
| Eglinton Oil & Gas | 285 | +100 | 325 | 35 | Colombian exploration hopes |
| Feedback | 250 | −47 | 298 | 197 | Slower profits growth warning |
| Flair Resources | 120 | +25 | 130 | 63 | Irish £31m Antartic sales |
| G.B. Papers | 51 | +11 | 51 | 17 | Interim statement |
| Hampson Inds. | 19½ | + 5½ | 21½ | 9 | Speculative bids hopes |
| ICI | 650 | +38 | 652 | 350 | Renewed U.S. buying |
| Marshalls Halifax | 175 | +20 | 175 | 129 | Good interim results |
| Marshall's Universal | 70 | +16 | 70 | 44 | Esal (Comods.) increas stake |
| Meggitt | 97 | +10 | 102 | 9 | Press recommendations |
| Peko-Wallsend | 408 | +32 | 456 | 300 | Silver/copper sharply higher |
| Royal Bank of Scotland | 158 | +13 | 158 | 115 | Impressive annual results |
| 600 Group | 61½ | + 5½ | 72 | 53½ | Recovery expected next year |
| United Wire | 83 | +17 | 86 | 60 | Yield attractions |
| Woolworth | 318 | +23 | 318 | 165 | Brokers lunch/thin market |




# In buoyant mood

## NEW YORK

WILLIAM HALL

HAVING put on more than 50 points in November the Dow Jones Industrial Average moved onto new high ground this week on the back of fairly heavy trading. Volume ran at over 100m shares on several days.

The stock market is still in two minds about official credit policy but the stream of buoyant economic news combined with the approach of Christmas is encouraging investors to believe that Wall Street is in the midst of a traditional year end rally.

Indeed one Wall Street firm has calculated that the Dow Jones Industrial Average has risen by an average of 11.2 per cent during the last ten year-end periods. But, as everyone knows, you can prove anything with statistics and Barron's, the weekly U.S. financial paper, punctured this optimistic calculation by pointing out that the Dow has ended the calender year lower than it was on Thanksgiving Eve (Thanksgiving is the last Thursday in November), in seven of the past ten years.

It notes that there used to be year end rallies with the Dow rising in every year except one between 1946 and 1963. But in recent times there have been many more falls in share prices in the last five weeks of the year. Nevertheless analysts say that the U.S. stock market is in good technical shape and has room to move higher.

Trading volume has been heavy with the telephone stocks leading the way. Ever since share dealings in the "new" American Telephone and Telegraph (AT & T) and its seven regional telephone companies began on November 21 the "new" AT & T shares and the "old" AT & T shares (the latter will trade until mid-February) have been topping the most active lists.

In the first week 26m "new" shares and around 15m "old" ones were traded. This week turnover in both stocks has exceeded last week's total in the first four days and on Thursday a record block of 5m "old" AT & T shares changed hands valued at $323.75m.

The heavy trading has not led to any sharp movements in the respective share prices but both shares have outperformed Wall Street. By Thursday evening the "old" AT & T stock was up by a couple of dollars from its initial price almost a fortnight ago and the "new" stock was up around a dollar and a half.

The decision by Standard and Poor's Corporation to add all seven regional telephone companies and the "new" AT & T to its 500-stock index has boosted trading activity because many pension fund managers base their investment strategies closely on index and are expected to restructure their holdings in line with the changes in the index components.

While the telephone stocks hogged the centre stage on Wall Street this week investors were also keeping their eyes on the near riots in some stores caused by the rush to buy "Cabbage Patch" kids.

Mr Xavier Roberts, the inventor of the dolls, works out of "the Babyland General Hospital," in a small town in Georgia where his assistants, dressed as nurses, administer an adoption oath and supervise the signing of the adoption papers for the "little people" as he prefers to call the ugly and expensive dolls which are taking America by storm in the run up to Christmas.

Coleco, a U.S. toy company, spotted Mr Robert's eccentric venture and got permission to mass-produce a version of the Cabbage Patch Kids which has done wonders for Coleco's share price. It jumped by 28 per cent in the first two days of this week. However, the shares lost much of their gain later when it was revealed that Coleco's other "hot" product—its long delayed Adam Home Computer—is not living up to Wall Street's expectations. Coleco now expects only to ship a quarter of the computers it had hoped to supply by year end and will miss the important Christmas selling season.

The oil sector is also springing back to life as a growing number of sizeable investors take strategic stakes in sleepy old oil companies. The number one target is Gulf Oil, where Texas oil man T. Boone Pickens is leading an investor group which has spent close to $1bn on acquiring a 12.5 per cent stake. Boone was continuing to amass shares this week but Gulf Oil's share price has ost some of its earlier buoyancy as investors prepare themselves for a long drawn out battle between the Pickens group and Gulf's conservative management.

| | | |
|---|---|---|
| MONDAY | 1269.82 | − 7.62 |
| TUESDAY | 1287.20 | +17.38 |
| WEDNESDAY | 1276.02 | −11.18 |
| THURSDAY | 1275.10 | − 0.92 |

# No cheer for Charter

## MINING

KENNETH MARSTON

"TROUBLES," commented Mr Neil Clarke, deputy chairman and chief executive of Charter Consolidated, "do not seem to come singly." Indeed, they do not if this week's interim results of the UK-based mining and industrial group are taken as an example.

Most companies suffer the occasional bad year, but Charter tends to be more accident prone. Formed in 1965 from the merger of the old British South Africa Company ("Chartered") with Central Mining and Consolidated Mines Selection, it was regarded as a flagship for the Anglo American Corporation group's expansion outside Africa.

Things, however, did not go according to plan. In those days, long before Mr Clarke took the helm, Charter moved into a series of major and ill-fated joint ventures. They included copper in Mauretania and Zaire, potash in Yorkshire, tin in Malaysia and nickel in Botswana. They mostly lost a lot of money.

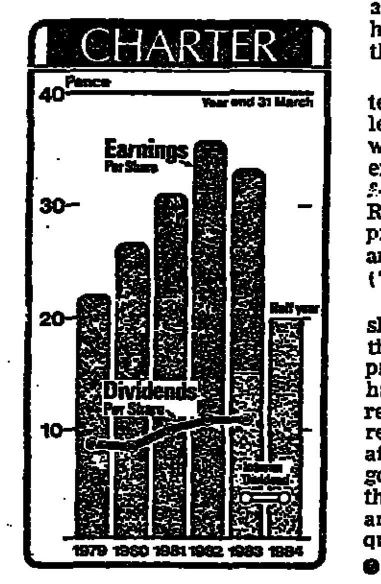
Moving along to the first half of Charter's current financial year to next March we come upon another move that, so far, has not turned out too well. It is the acquisition of the Scottish Anderson Strathclyde coal mining equipment group which was made last March for £95m in a hotly contested bid.

In the six months to September 30 Anderson Strathclyde has moved from profits to loss, being pulled down by the 51 per cent-owned National Mine Service subsidiary, a U.S. supplier of mining equipment. Anderson paid $83m for this investment shortly before being taken over by Charter.

NMS has been hit by the general recession in the U.S. coalmining industry with a six-month trading loss of £2.7m. Anderson Strathclyde has also seen a severe falling off in demand for mining machinery spares from its major customer the National Coal Board.

All this was forecast by Charter in its offer document at the beginning of March this year. NMS, it said, would put a strain on Anderson Strathclyde. Charter also commented that profits of Anderson Strathclyde had been benefiting from the tail end of the mining equipment boom and mentioned among other exceptional factors the clearance of backlog orders from the NCB.

Naturally, such documents are designed to show shareholders of the company being bid for that they would be wise to accept the cash offer for their shares. But it still raises doubts as to the wisdom of Charter pressing on with its offer at a time when no early improvement in Anderson Strathclyde's prospects seemed likely.




Other adverse factors in Charter's latest half-year have been reduced production for various reasons by the Shand contract coal mining group, the Beralt wolfram operation in Portugal and the Cornish South Crofty tin mine.

Fortunately the various industrial interests have done well, but had it not been for a pre-tax profit of £12m from part of the sale of Charter's holding in Rio Tinto-Zinc the net attributable profit for the period would have been considerably lower than the £20.9m reported.

Charter is hoping to do better, on the operating side at least, in the second half and will also be bringing in an extraordinary credit of a net £41.2m from the sale of further RTZ shares and some of those previously held in Minerals and Resources Corporation ("Minorco").

It is also true that Charter shares, hovering a little above the low for the year of 205p, are priced at not much more than half their net asset value. What really matters, however, is the return that is earned on assets—after all, the company is not going to sell up and distribute the proceeds to shareholders—and this return is just not adequate.

● "Good news," says Mr Charles F. Baird, chairman of the major nickel-producing Inco, "U.S. capital spending is clearly on the mend."

Other observers are also noting signs that the economic recovery is now beginning to spread to the capital goods sector, a vital factor for the metal producers.

Mr Baird expects nickel demand to improve this quarter to its best level this year and rise by 9 per cent in 1984. There is still surplus production capacity, of course, just as there is in copper.

But those mines that can produce metal on a competitive cost basis will make money. Inco is still losing, but its break-even level is now "closer to the third quarter London Metal Exchange average cash price of $2.20 per lb than it is to $3," says Mr Baird.

● Gold has perked up this week from $376½ per oz to $407 at one time—a straw in the wind? From Paris, where they tend to take gold very seriously indeed, one banker tells me that the improvement in the price has been prompted by the closing of short positions.

It could amount to more, he says, perhaps noting the good pre-Christmas retail jewellery sales in the U.S. which could lead to gold restocking by the trade there.

Cautiously, he prefers to see what happens over the next week or so, but the market seems to want to go better and a ready response will be seen in South African and Australian gold shares if it does.

● It looks like being an especially happy Christmas for the Canadian and Irish venturers in Flair Resources. Last year they took over the old anthracite mine at Ballingarry, 100 miles south-west of Dublin in County Tipperary, aiming to tap the good UK market for the smokeless fuel.

This week Flair has announced a sales contract to supply the mine's total output for the first five years to the Thomas Marshall (Loxley) group of Sheffield. This should yield a profit before financing costs of about I£7m (£5.52m) and there will be a further gross receipt of about I£6m from sales of non-sized material.



## SAVINGS OFFERS



## UK CONVERTIBLE STOCK 3/12/83

Statistics provided by DATASTREAM International

| Name and description | Size (£m) | Current price | Terms* | Conversion dates⇔ | Flat yield | Red yield | Premium† Current | Premium† Range‡ | Income Equ§ | Income Conv¶ | Income Div▽ | Cheap (+) Dear(−)◊ Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] Land 12pc Cv 2002 | 9.60 | 308.50 | 333.3 | 80-91 | 3.9 | 0.5 | −2.6 | − 3 to 4 | 44.8 | 59.5 | 4.7 | + 7.2 |
| [illegible] Trust 9½pc Cv 01-06 | 81.54 | 246.00 | 107.1 | 85-01 | 4.0 | 0.9 | −6.3 | −12 to −3 | 149.8 | 73.0 | −29.3 | −23.0 |
| Slough Estates 10pc Cv 87-90 | 5.03 | 258.50 | 234.4 | 78-84 | 3.9 | | −7.3 | −12 to −5 | 6.6 | 0.0 | − 2.4 | + 4.9 |
| Slough Estates 8pc Cv 91-94 | 24.72 | 115.50 | 97.5 | 80-88 | 6.9 | 5.4 | −0.5 | −38 to 7 | 21.6 | 24.8 | 2.8 | + 3.2 |

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

# Mistake by Paymaster

BY OUR LEGAL STAFF

**The Paymaster General's office at Crawley have told me that they have been overpaying my pension since my 65th birthday** ***two and a half years ago and*** **have demanded a refund of the gross overpayment. Since my marginal tax rate has been 45 per cent since the overpayments started, the PMG is, in effect, demanding that I pay back nearly double the net sum I have received in overpayments.** ***They say they will*** **sort out the tax aspects after the end of this financial year. Can I insist on only repaying the net sum overpaid?**

You should submit a claim for repayment of tax for 1981-82 and *1982-83 (and 1980-81, if* your 65th birthday fell before April 6 1981) to the PD5 tax office straight away, under the error-or-mistake provisions of section 33 of the Taxes Management Act 1970. We suggest that *you send* a copy of your letter of claim to the Paymaster General's Office, and ask them to confirm their error to PD5 forthwith, so that your tax *refund can be made before* the end of 1983. If you have any trouble, please come back to us.

## CTT on wife's estate

***With reference to the query*** **and answer under "An account for dividend," could you tell me under what circumstances a husband is required to pay CTT on the estate of his late wife?**

***I always understood that estate*** **so passing between the deceased and a spouse is not liable to CTT.**

The reader was executor of his wife's estate, but not the beneficiary. No doubt the assets *passed to their children and* grandchildren.

CTT may arise where the surviving spouse is domiciled overseas (under paragraph 1(2) of schedule 6 to the Finance Act 1975, as amended).

## Possible CGT bonus

**I have recently returned to the UK after seven years working abroad and am now selling a house that was my** ***main*** **residence before becoming non-resident. During my absence the house was let furnished.**

**For the last five years we have also owned a flat, which, since my wife was still considered a** ***"resident" for tax purposes,*** **was designated as our main residence since purchase.**

**For CGT purposes, can you confirm that the chargeable gain on the house will be calculated by apportioning the gain as follows:**

**(a) Initial period of residence—** ***exempt.***

**(b) Last 24 months of ownership—exempt under CGT Act 1979, s102 (2) (Despite the intervening let period).**

**(c) Additional exemption of up** ***to £10,000 under FA 1980,*** **s80 (1) since house wholly let as residential accommodation.**

**My UK employment has now necessitated a move and new house purchase elsewhere. The flat will probably be sold within the next 1-2 years, in which case can the last 24 months exempt period overlap on two properties (the old house and the flat)?**

Yes, you *have* grasped the complex and arbitrary rules (as you can check by asking your local tax office for the free pamphlet CGT4 on owner-occupied houses). A possible bonus for you lies in the Chancellor's *promise, on July 25, that the* Finance (No 2) Bill next spring will raise the £10,000 limit in section 80 of the 1980 Act to £20,000 retrospectively from April 6 this year.

## Bank and tax authorities

**My father is neither resident nor domiciled in the UK. He wishes to open a deposit account with one of the big** ***banks so as to provide himself*** **with spending money should he wish to visit me.**

**(i) Would any income tax be payable on the interest?**

***(ii) Would the bank need to*** **tell the tax authorities about** ***this interest?***

(i) If your father is resident in one of the 80-odd countries with which the UK has a double taxation agreement, he may be *entitled to exemption from UK* tax on the interest. If not, he *may escape* UK tax by virtue of extrastatutory concession B13. You should ask your local tax office for the free booklets IR1 (Extrastatutory concessions) and *IR20 (Resident and non-*residents liability to tax in the UK), which should make the position clearer to you.

(ii) No, provided that your father formally asks them not to (in accordance with section 17 (4) of the Taxes Manage*ment Act 1970), and declares* in writing that he is not ordinarily resident in the UK year by year.

## Capital gains as income

***I*** **have applied to my local authority for a rate rebate under the Housing Benefit** ***Regulations 1982.*** **In making its determination of the amount** ***of Housing Benefit to which I*** **am entitled, the authority has estimated my capital gains for the benefit period and treated them as income (Regulation 14).** ***14 (4) requires the authority*** **to estimate my weekly income** ***on whatever basis appears to*** **it to be reasonable in the circumstances of my particular case,** ***but can this allow the*** **authority to hold that capital transactions are income?**

**I intend to argue the point under the representation and (if necessary) further review provisions, but the authority seems to me so clearly wrong that I can't see how to convince** ***them to change what they tell*** **me is their general rule.**

We can see no firm basis for the local authority's construction of the statutory provisions. The practical problem, of course, is that local government *officers (like civil servants* and doubtless many employees in the public and private sectors) are often afraid to admit that they have *made* a mistake, lest they damage their prospects.

Perhaps a tactful letter to your MP could draw attention to the apparent ambiguity in the regulations, and suggest that it would save public money (by avoiding litigation at local authorities' expense) if the point were clarified—one way *or the other—by an amending* statutory instrument.

## A dormant trust

**A discretionary trust was set up in 1968; its original purpose was to benfit a handicapped** ***son who died shortly afterwards*** **but the trustees were given wide powers to make payments to other related children. No payment was made to this son before his death.**

**For some time the trust has been dormant, its total assets** ***being under £10*** **in a bank account (current). Last year** ***one of the two trustees died.*** **Is there any tax advantage in reviving the trust—among potential beneficiaries are five young people now in salaried employment but at present unmarried.**

**If so, what action is necessary to replace the deceased trustee?**

1—No. (Why has it not been wound up *already*?)

2—The trust deed may well give *you the answer. Subject to what* the deed actually says, the appointment of a new trustee may lie with the survivor.

## Retirement abroad and tax

**While still at present in the Philippines, now for over five years, my status is about to change in the sense of going from "Full-time employment overseas" to being on a pension.** ***Could you please clarify the*** **tax distinction between UK and overseas source income on the assumption that I retain my UK house but in fact do not visit the UK very frequently—certainly for less than 180 days a year.**

**Am I correct in thinking that if one stays for less than 180 days a year in the UK having established residence overseas,** ***tax will not be levied on income*** **from overseas investments which are not remitted into the UK. For example one would be taxed on a UK pension but anything else arising overseas would be tax free?**

*Once you retire, you will be*come resident (and probably ordinarily resident) in the UK for each tax year in which you set foot in the UK, even for an *hour* or so, whilst you have a house here available for your use. You should write to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, United Kingdom, WC2R 1LB, for a copy of the free explanatory booklet IR20 (Residents and non-Residents: liability to UK tax). (We *take* it that you are domiciled in *England and Wales.)*

If you remain resident in the Philippines (for the purposes of Philippine tax) as well as becoming resident in the UK (for the purposes of UK tax), then a measure of relief from double taxation will be available *under* the double taxation convention *of June 10, 1976.* You should look particularly at Article 4 (2), because you have not given us enough information to decide between the two countries on your behalf. Presumably copies of the convention are available in Manila.

## CGT on house in Belgium

**I have been the continuous owner occupier of a house in Belgium since 1974. During 1983 I expect to return to the UK and would consider renting the property on a long-term lease.**

**What is the capital gains tax position if the lease were sold say three years after my return to the UK?** ***Would an*** **official valuation obtained in 1983 be accepted as a basis for valuation?**

Subtract (a) the sterling equivalent of the cost, plus indexation allowance from *March* 1982, *from (b) the* sterling equivalent of the proceeds; multiply the difference by the number of days between (p) the end of the period when you lived in the house and (q) the day two years before the sale contract, and divide the result by the number of days between the purchase and sale contracts; then *reduce* the result by £10,000 (or possibly less, under section 80 (1) of the Finance Act 1980).

*You could write* to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, England WC2R 1LB, for booklet IR20 (Residents and non-residents: liability to tax in the UK).

## Returning from Malta

**I am contemplating returning to live in the UK after 10 years resident abroad in Malta, my income having been** ***drawn from the UK.***

**If I take up residence in** ***the UK after April 5 1984,*** **am I correct in assuming that I shall be taxable only on the income I shall receive after that date, ie. received during the** ***tax year*** **ending April 5 1985?**

*It is not* quite as simple as that. The date on which you cease to be resident in Malta will be significant (as well as the date from which you become resident *in the UK*) because you will thereupon lose the protection of the Malta-UK double taxation agreement, and PAYE tax will be deducted from your occupational pension. You should write to the Inland *Revenue Public Enquiry Room,* Somerset House, Strand, London, United Kingdom, WC2R 1LB, for a copy *of the* free booklet IR20 (residents and non-residents: liability to tax in the UK).

*No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

ALTERNATIVES TO OFFSHORE FUNDS

# 18-month run on gilts

**CLIVE WOLMAN looks at the latest government help for high rate tax payers coming onshore after the recent clampdown**

THE TREASURY last week made an attempt of its own to attract some of the estimated £1.5bn that is likely to return to the UK following the Governments' decision to remove the tax advantage of the offshore roll-up funds.

Through the Bank of England, £500m has been issued of a new gilt-edged stock, which will be redeemed in November 1986 and which bears a coupon (annual interest) of only 2½ per cent of its redemption value.

To compensate for the low interest rate it pays, the stock has been offered for sale at a substantial discount of around 15½ per cent to the value at which it will be redeemed. The only reason for giving investors their return in this bizarrely complicated form is to allow them to avoid paying tax. For, as the investors in the offshore roll-up funds know, interest counts as investment income which is taxed at a rate of up to 75 per cent. By contrast capital gains on gilts held for more than 12 months are not taxed at all.

The economic justifications for taxing capital gains much more lightly than investment income is that they normally represent the unpredictable returns from making a risky investment, typically in shares.

The offshore roll-up funds sought to cloak their virtually guaranteed return in the legal form of a capital gain—and that is why they were clobbered by the Government. Gilts issued at a substantial discount to their redemption value, however, do the same. Yet both Labour and Conservative governments alike have regularly issued gilts at a deep discount to give higher rate taxpayers an opportunity of avoiding the payment of tax—to the governments themselves.

The offshore roll-up funds had the triple advantage to investors of offering a virtually riskless return, subject to a low or zero tax rate, on an investment which could be cashed in at almost any time.

Investment advisers and the product developers of investment management companies have been scratching their heads in search of an alternative investment with similar advantages. But they have found none. Only a gilt-edged security which is redeemable within a few years (and therefore is unlikely to slump in value due to an upsurge in inflation) and which carries a low coupon, comes close.

But the newly issued Exchequer 2½ per cent 1986 stock is not necessarily the most attractive to higher-rate taxpayers. There are another five low coupon short-dated gilts with a life of more than a year on the market, for example the Treasury 3 per cent 1986 stock. The returns on these stocks, as measured by their redemption yield, can be seen in the British Funds "Shorts" section on page 28 of this newspaper.

Basic-rate taxpayers, however, will usually do better by choosing a gilt with a higher coupon as their need to convert income into capital gains is less pressing.

But for the higher rate taxpayer, the most attractive low-risk gilt at present is probably the index-linked stock redeemable in March 1988. This pays interest of only 2 per cent per year. The rest of the return is in the form of capital gains.

A life of four years and four months may appear to make it riskier than the 1986 stock, if you do not wish to hold it until redemption. But because its redemption value is inflation-proofed (except in the last months of its life), its price is less volatile than that of a conventional stock.

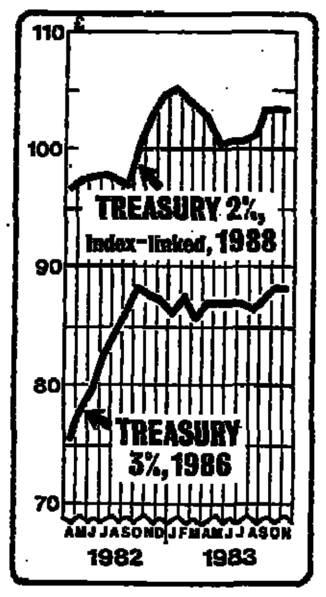
The table prepared by stockbrokers Phillips and Drew shows at what levels of inflation the return from two conventional gilts is the same as from the 1988 index-linked gilt on Thursday afternoon's gilt prices. If you expect inflation to be higher then go for the index-linked stock.

The break-even inflation rate between index-linked 2 per cent 1988 stock and two conventional gilts, for different tax-payers:

| Marginal tax-rate | 30% | 50% | 75% |
|---|---|---|---|
| Transport 3pc 1978-88 | 3.95 | 3.70 | 3.37 |
| Treasury 9½pc 1988 | 4.55 | 2.78 | 0.55 |

To attract the offshore roll-up fund investors, the Prudential Corporation and Abbey Unit Trust Managers have both launched unit trusts which will invest in a range of short-dated low-coupon gilts. The managers aim to avoid the receipt of some interest payments by selling the gilts shortly before the dividend is due. This is expected to keep the yield below 1 per cent and make the capital gains corespondingly higher—provided that the Inland Revenue does not object to this practice of half-hearted "dividend-stripping."

But capital gains tax is payable on the gains made on unit trust holdings—and many higher rate taxpayers will have used up their annual £5,300 CGT exemption (after allowing for inflation adjustment). Management charges also eat into the profits, as does stamp duty (not payable on direct gilt purchases).




It will normally be more profitable to invest directly in gilts, provided that the investment is over £5,000—or the stock can be bought through the Post Office—so that commission charges are not excessive. The most tax efficient way of doing this is by taking "an 18-month run" on a low-coupon gilt. You buy a gilt just after a dividend has been paid and sell 18 months later just before the next haf-yearly dividend is due. In this way you can avoid CGT by holding the gilt for over 12 months and yet receive only two dividends taxable as investment income.

Simon Corker of stockbrokers Phillips and Drew calculates that even a 75 per cent taxpayer can receive a net return of 6.90 per cent per year by taking an 18-month run on the new 2½ per cent 1986 stock (assuming that the gross redemption yield does not change). The net return on Transport 1978-88 stock is 7.03 per cent.

*The following short-dated low-coupon gilts are on the National Savings Stock Register and may be purchased through the Post Office: Treasury 3 per cent 1985, Transport 3 per cent 1978-88, Index-linked Treasury 2 per cent 1988.*

# Buying a Jag on the house

**WILLIAM DAWKINS explains why a mortgage always pays**

NEXT TIME you move house or increase your mortgage, it could pay you to give a moment's thought to the missing £7bn. That is the sum—equivalent to nearly half of all mortgage advances—which the Bank of England estimates has "leaked" out of the housing market in the first half of this year.

It represents the difference between the value of additions to the privately-owned housing stock and the flow of mortgage lending.

The figure is impossible to break down accurately but much of it probably represents finance for older property, money taken out of the housing market by people who have sold the property left to them by great-aunt Agatha or have moved into a cheaper house. It has been cited as a major reason for the recent growth in consumer spending.

That is not to say that home owners are diddling the taxman by spending tax-relievable mortgages on new Jags or holidays in the Costa Brava but it does highlight the extent to which you can legitimately use a mortgage to release funds for non-housing uses.

"The concept of a loan for a specific purpose is meaningless. One is simply borrowing money," says Mark Boleat, deputy secretary-general of the Building Societies' Association. "If you qualify for tax relief on a loan for a house, it may release funds which you could use to buy a car. You are not actually getting tax relief on the car, but the mortgage does indirectly allow you to buy one."


By getting a bigger mortgage, you could also release cash to make a profitable investment. If, for instance, you have a basic building society loan, which costs 11.25 per cent for amounts up to £25,000, and pay basic rate tax, the net cost of the loan after relief is just under 7.9 per cent.

You can claim tax relief for mortgages up to £30,000, but most building societies charge extra on loans above £25,000. It makes no sense to ask for a mortgage below those limits on a more expensive home if you can invest the money at rates higher than the cost of a home loan.

Moreover, if you have built up savings over the years or inherited a windfall, it may not be financially sensible to run them down on paying off your mortgage—or bringing it down below £30,000.

Tax-free National Savings certificates, for instance, earn 8.25 per cent for money invested over five years. It would even pay to shop around the building societies themselves to beat the cost of a home loan. Five-year money at the Portsmouth will earn 9.4 per cent net of basic rate tax, and a two-year investment at the Woolwich will pull in 9 per cent net.

The arithmetic looks even more attractive for higher rate taxpayers. If you pay 60 per cent tax, the effective cost of a £30,000 loan after relief can be as low as 4.7 per cent, while 40 per cent tax payers will incur a corresponding rate of 7 per cent on their home loans.

There are, however, strict conditions for tax relievable mortgages.

You cannot simply increase the mortgage on your existing house, get tax relief on it and invest the money, even if the building society would allow it. To qualify for a tax relief on an increased mortgage, you will either have to move house or use up the mortgage on home improvement.

Your property will only qualify for tax relief as long as it is your only, or main, residence, although homes for aged dependents or divorced and separated spouses are also eligible.

Officially, the building societies want borrowers to spend the profits they have made from selling their existing home on their new house, so that the loan only covers the increased cost of the new property. But in practice, they tend to take a more liberal attitude, especially when they are flush with funds, as they are now becoming, after the summer's mortgage famine.

The Inland Revenue allows a little latitude in defining what home improvements are eligible. It will be willing to include the cost of some repairs if they are directly associated with eligible work.

Its list of qualifiable improvements—contained in Inland Revenue leaflet IR 11—includes roof replacements, central heating, garages, garden landscaping and ... en swimming pools.

BUSINESS EXPANSION SCHEME

# Angels take off

THE RECENT improvement in the fortunes of the West End theatre, fuelled by the return of the American tourist rather than by any upsurge in artistic inspiration, has reawakened interest in the theatre as an investment.

Being a theatrical angel is generally considered no more than an amusing gamble. But this week a company was formed, West End Stage and Theatre, which attempts to take some of the risk out of the venture. WEST hopes to raise £4m to invest in six major productions in 1984 and its selling point is that it qualifies under the Government's Business Expansion Scheme for full tax relief.

In the past, even if you invested in a winning production most of the profit was taxed under schedule D(vi)—miscellaneous investment income. Under WEST not only is there substantial relief on the initial investment (minimum stake £1,000) but if the show is a success you retain much more of the rewards especially if you are on the highest marginal rate of tax. There is a dampener—the money remains tied up for five years—but WEST hopes to get a quote on the Unlisted Securities Market after three years so that investors can realise the value of their stake.

The main asset that WEST holds is a contract with Michael White, the producer, as adviser on the plays and musicals it invests in. White has agreed that, for the next three years at least, all his productions will be financed through WEST. For him the scheme is an opportunity to get new investors involved in the West End theatre.

At the moment most producers call on the same small band of angels. Michael White uses around 80, but other producers manage with nearer 20. The backers are encouraged to stay with the producer over many shows so that any winners compensate for the losers and vice versa.

**A new scheme to use the tax system to encourage investment in theatrical productions.**

Often producers invest in each other's plays and occasionally a company can be persuaded to put some money in, or an advertisement in the press draws on outsiders. But this method is usually resorted to only for plays in which the traditional angels are reluctant to invest.

Michael White estimates that in the West End the odds against investing in a profitable venture are around 4—1. But if you are on a winner, the rewards compensate handsomely. Among White's own productions, anyone with a stake in *Oh Calcutta!* would have been paid their stake back 50 times: in *Sleuth* 40 times.

"Evita": record profits for its backers

With musicals it can take years to recover the initial costs. Another White enterprise, *Pirates of Penzance*, made a modest profit after an 18-month run at Drury Lane. But once you are in profit the return is tremendous, as backers of *Evita* and *Cats* know full well.

The hope with WEST is that at least one of the first year's productions will prove a success and that by ploughing back any returns the future plays will get decent budgets. It can cost £100,000 to mount a straight play and well over £1m a musical.

The company also tackles one of the flaws in the traditional financing of plays—the profit taken by the producer.

It is customary for the producer to take at least half the profits, even though he rarely invests his own money in the production. This is his reward for setting up the enterprise. Michael White is taking only 30 per cent of any profits from WEST's productions although management running costs will reduce the percentage available for investors. The managers are charging investors a 6 per cent entry fee and have options on 20 per cent of the company's shares.

**Antony Thorncroft**

# Bodyguard on tick

**WILLIAM HALL on a de luxe Amex card**

BAD NEWS for all those up and coming young executives who have recently acquired "gold cards." If you thought this was the ultimate status symbol you are out of luck. American Express Bank has now brought out its Premier Services Card and while it is being rather coy about who can apply for one, it sounds as if no one less than a millionaire will be eligible.

American Express is aiming its new status symbol at "frequent international travellers, whose hectic personal and business schedules are subject to change without notice." A wealthy Arab oil sheikh who wants to charter a jet to fly a nephew to see a New York eye surgeon is the sort of person Amex has in mind.

"If all goes well a single telephone call — in Arabic if necessary — to the American Express Bank premier services representative will be all that is needed. The bank will fix the rest and throw in theatre tickets and supply a 24-hour a day bodyguard if need be."

The premier services card is not a charge card and will only be available to gold card customers of American Express International Banking Corporation or Trade Development Bank, the up market international bank acquired by American Express earlier this year.

Once chosen all a gold card member needs to do is to fill in a travel profile specifying such things as whether one prefers sitting in a smoking or non smoking section, eating caviar or smoked salmon, and whether one has more fun at the Savoy or Claridge's when in town. American Express supplies the customer with a personal code and a round the clock telephone number.

The card, which will be used in conjunction with a gold card, gives clients multilingual access at any time of the day or night, seven days a week, to travel arrangements, hotel bookings, car rental reservations and emergency medical assistance.

In London, Paris, New York and Miami local concierge services are also offered such as aircraft charter, personal protection, interpreters and shopping escorts. As a rule of thumb American Express is offering wealthy customers escorted shopping services at £90 per half day in London and $165 for an average three hours in New York and Miami. Bodyguards are available at £10 an hour in the UK and FFr 270 per hour in Paris. Payments for the services will be charged to the client's gold card.

American Express is rather discreet about who will be able to get the new card but it is clear that it is setting its sights considerably higher than £20,000 a year UK executives who have been falling over themselves to fill in the application forms for gold cards over the last year. The cards will only be available to clients who "meet certain relationship requirements." Put another way this means keeping upwards of $100,000 on deposit with American Express Bank or one of its affiliates.

American Express is not hiding the fact that it is using its new services to differentiate the gold card provided by its bank from other gold cards provided by other banks. By providing what it terms an "unprecedented spectrum of special services," it is hoping to win new customers who will swell its highly profitable deposit base. American Express likes to think its clients are looking for service rather than that extra quarter point of interest which motivates the run-of-the-mill bank depositor.

# How to join the moonlighters

Hugh Routledge

Have you been moonlighting, madam, or are you a consultant ?

LIFE IS going to be made more dangerous for employees who take part-time jobs on the side without declaring their earnings to the taxman.

The Government announced last weekend that it was increasing the number of tax officials in special units investigating "moonlighters" and "ghosts" (employees unknown to the Inland Revenue) from 70 to 920 over the next four years.

Despite the proposed reduction in Inland Revenue staff levels generally, the number of taxmen investigating the black economy is to be maintained.

The 70 taxmen who currently investigate moonlighters in small teams attached to local tax districts were first appointed two years ago as part of a tougher stance against tax evasion. Their methods of investigation include following up classified advertisements by people offering their services as, for example, gardeners, house or car repairers or odd-job men.

A committee chaired by Lord Keith of Kinkel made several recommendations affecting moonlighters in its 800-page report on the taxman's enforcement powers submitted in March. This is now being considered by the Government. The committee recommended that the P1 tax returns should ask the taxpayer more pointedly whether he has earned any spare-time income from casual employment or trading. Ideally every employee should be issued with a tax return every year or, if this proves too costly to administer, then once every three years at the very least.

The committee also recommended that the Inland Revenue should prosecute moonlighters more frequently and that the non-criminal penalties, normally fines, for failure to disclose income should be standardised and left less to the discretion of the individual tax official.

Cynics sometimes claim that tax avoidance—the setting up of artificial arrangements to avoid a tax liability openly and legally—is merely the rich man's form of tax evasion. Certainly for those who take odd jobs on the side there are a variety of anomalies in tax law which can be exploited to reduce or avoid completely any taxation of the earnings—provided they are prepared to tolerate some administrative inconvenience.

Most of the avoidance scheme depends on an exemption granted from the taxation of benefits-in-kind to those who earn less than £8,500 per year from any single source of employment. The exemption does not apply to the directors of a company. Pension contributions by the employer are not included when calculating whether earnings exceed the £8,500 threshold.

Benefits-in-kind, unlike expenses, do not need to be related in any way to the work that is being done. The most popular benefit is a company car. The value of the car is taken into account when assessing whether the £8,500 threshhold has been passed—but the value imputed to the car will be much less than what it would cost the employer to buy directly.

### CLIVE WOLMAN on how the taxman is clamping down on dodgers—and how to get away with it

Other assets are also frequently made available by a company for favoured employees. These include consumer durables, such as fridges or televisions, suits, and holidays. If an article is bought, held by an employer for only a week or so and then given to the employee, its imputed value for deciding whether the £8,500 threshold has been passed is only its second-hand value, which will be well below the true benefit to the employee.

With the provision of all such benefits, however, it is essential that they are purchased directly by the employer and then handed over. The employee cannot buy them and then reclaim the expenses, otherwise he will be taxed in full on the amount reclaimed. They also must not be accepted explicitly as a substitute for a stated portion of the employee's salary. The legal form of such benefits must be that of a bonus.

The other common form of benefit is to grant an employee an interest-free or a low-interest loan. This has a monetary value that can be assessed more or less precisely by comparing the interest charged with the normal market rate of interest for personal loans, hire purchase or mortgages.

Some benefits are taxed, however, or are subject to special taxation rules, even when the employee is earning less than £8,500 a year from one source of employment. These include vouchers, such as luncheon vouchers, medical insurance and accommodation.

The provision of accommodation by a company for an employee is however taxed on the property's gross rateable value which is normally well below its market value. So providing an employee with a company flat or house remains a tax efficient way of remunerating him, whatever his salary.

The favourable tax treatment of benefits-in-kind for part-time or casual work runs counter to the widely accepted view that it is preferable to be assessed for tax as a self-employed worker on schedule D rather than as an employee on schedule E.

Those on schedule D are permitted to offset a wider range of expenses against their taxable earnings. They can also defer the payment of their taxes more easily. However, they will normally be taxed fully on all benefits in kind whatever their total remuneration, unlike their counterparts on schedule E.

It is common for example for management consultants to work for, say, four or five different companies as schedule E employees and to earn less than £8,500 from each, primarily in the form of benefits in kind. The wives of smaller businessmen are also often employed by their husbands' companies as "consultants" and are given in return a large company car, which serves as the family car. Their husbands, contrast, make do with a smaller one.

But the most widespread advantage of the benefits-in-kind legislation is for those who occasionally take on additional work either for another individual or for a small and flexible organisation which does not insist on paying a "clean" salary.

Even if the legislation is tightened up in future Finance Acts—and so far the present Government has made only a token effort to clamp down on the use of perks—the taxman will find it difficult ever to attack the more informal exchanges of services. For example:

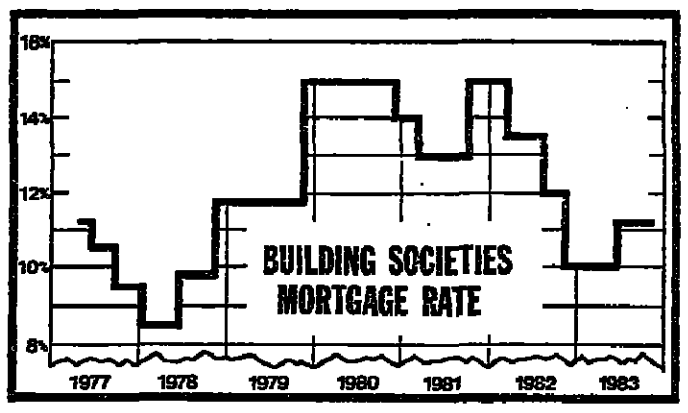
- You do a family's accounts for them. In return, the wife teaches your child the piano.
- You let your seaside home to a family for two weeks. In return they let their country home to you.
- You undertake a family's conveyancing for them. In return, they buy you a holiday abroad.

But note that if cash is exchanged in any of these transactions, the taxman ought to be told and given his cut at the recipient's top marginal rate (which can be as high as 60 per cent). And if you don't tell him, he is increasingly likely to find out.

Suggested reading: Bill Packer and Elaine Baker (Touche Ross and Co.). "A Tax Guide to Remuneration and Fringe Benefits." (Macmillan Publishers, 1982).



### MARGARET HUGHES explains why home owners are having to wait longer for cheaper loans




MORTGAGE INTEREST RATES

## Abbey backtracks as banks return

OVER THE past two months homeowners' expectations that a cut in the mortgage rate is due have been fuelled by Abbey National, Britain's second largest building society.

When it broke away from the interest rate cartel, Abbey, forecast that the rate would be forced down.

Its controversial chief general manager, Clive Thornton, said that by the new-year the mortgage rate would be down, possibly by as much as 1½ percentage points.

But while Abbey was quite happy to take the lead on the investment side, quickly increasing the rates to savers, it has been less keen to take the initiative on the mortgage front. Last week at its board meeting it decided yet again to defer any decision on a reduction in the mortgage rate.

Another board meeting is scheduled for Tuesday but all the indications are that Abbey will now wait until the Building Societies Association Council meeting next Friday when it hopes to persuade its fellow members to agree to a cut in mortgage rates.

It tried to do just that at the council's last meeting at the beginning of this month but failed. It is likely to meet with even greater resistance at the next meeting. For though a few weeks ago the other leading societies—the Halifax, Leeds, Nationwide and Woolwich—were coming round to the idea that a reduction might be feasible in January, they are now less convinced. Mortgage demand remains high, societies say, particularly for the time of year.

Demand is expected to be even higher in the New Year. To some extent this will be offset by the return of the banks to the mortgage scene. But though they will be back in the market, their lending will be far short of what it was two years ago.

In early 1982 banks accounted for as much as 41 per cent of mortgage lending. Since then they have cut back sharply and, with the exception of National Westminster, effectively withdrew from the market in the early part of this year. Now they are either in the process of re-entering the market or will be in the New Year.

But this time the banks will restrain their involvement in the mortgage business, generally keeping the level to around 15 per cent of their overall lending.

Lloyds, which since June has been meeting existing commitments only to the tune of £35m to £40m a month, will be allocating between £20m and £25m a month to new mortgages in the New Year. Midland has already upped its monthly allocation from under £10m to £15m to meet existing commitments but is now considering a more substantial increase to provide new loans.

Barclays is now lending some £25m a month. It has no immediate plans to step up this allocation but says that at some branches new requests are being met though at others there are mortgage queues. National Westminster is still lending at the rate of £90m a month and will maintain this level in the current year. The Trustee Savings Bank will be lending some £29m a month.

Though less available bank mortgages are now cheaper than those of the building societies. They charge an interest rate of 11 per cent, in the case of the Midland 10¾ per cent, compared with the BSA recommended rate of 11.25 per cent.

In addition there is a growing consensus that interest rates have now bottomed out and building societies are wary of being wrong-footed again.

Last November they cut their rates only to see general interest rates rise again shortly after. This led to a sharp reduction in their receipts made all the more embarassing by the peak mortgage demand and the virtual withdrawal of the banks from the market.

As a result they had to dip heavily into reserves. It is only in the last two months, with the record inflow of funds that they have been able to start replenishing those reserves.

This month's intake is expected to be a record for November but is likely to be less than October's, while December is traditionally a month when there are heavy withdrawals for Christmas shopping.

And building societies have been paying heavily for the boom in takings. The cost arises both from advertising and high investment interest rates.

In a sense, this is Abbey National's dilemma. Having opened up the whole business by breaking away from the cartel it can afford to reduce its mortgage rate only if it reduces the rate which it pays to investors at the same time.

But even though the interest rate cartel may, in theory, have been broken, as with the break-up of the bank cartel in the 1970s, in practice nothing much has changed for the home buyer.

**UNIT TRUSTS**

# A cold wind from Tokyo

**Are foreign investments best managed by foreign managers? CLIVE WOLMAN looks at some recent launches of Japanese funds.**

IF YOU want to invest abroad, particularly in a non-English-speaking country, then handing your money over to the locals to manage it for you may seem the most attractive solution. But in some countries, the UK and other foreign fund managers can consistently outperform the locals.

Japanese unit trusts this year are set to make more money for their clients than any other specialist grouping. After their success, over the last two months the unit trust marketing men have launched a rash of new Japanese funds.

On Thursday, the life assurance company Providence Capitol launched a Japanese unti-linked fund to be managed by the Nomura Group, Japan's largest stockbrokers. Six weeks previously, Atlanta Fund Managers, a new management group, launched a Japan and Far East unit trust with another Japanese securities house, Daiwa.

In recent years, the Japanese brokers have been marketing their portfolio management services aggressively, particularly to U.S. pension funds. But these link-ups mark the first breakthrough into the UK market, which they have traditionally confined themselves to broking services.

As fund managers for the private investor, however, they do not have an impressive track record. The performance of their domestic investment trusts aimed at the Japanese public has been poor.

For example, at the end of September, the net asset value of all Nomura's domestic trusts was only 3.8 per cent higher than the money their clients had originally invested. On average, clients waited slightly less than a year before withdrawing their money. By contrast, the Nikkei-Dow market index rose by 35 per cent over the course of the previous 12 months.

Similarly, the holdings of Daiwa's Japanese private clients were only 6 per cent higher in value than the money they had invested.

*By contrast, the average performance* of UK managed unit trusts which have more than 80 per cent of their portfolios in Japanese equities was in line with the index, after currency adjustments.

The comparison between the Japanese fund performance and the stock market index is not completely fair, as the funds invest heavily in bonds and other low-risk instruments.

But even assuming that shares make up only one-third of the funds—Nomura's own estimate—and that the bonds show no increase in capital value, the equity portion of the funds have still under-performed the index by a large amount.

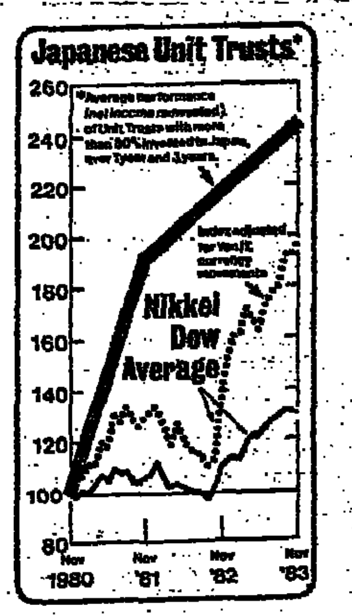
Stockbroking analysts in London who specialise in the Japanese market ascribe the poor performance of the Japanese investment trusts to their excessive *emphasis on mass marketing* techniques, to over-trading of shares and to the conflicts of interest that arise in a lightly regulated market. These Japanese portfolio managers are also the brokers, the market-makers who trade on their own accounts and the issuers of new shares (generally highly profitable for those who are allocated some).

Arthur Pierce, chief executive of Providence Capitol, who praised Nomura's "experience and expertise which are second to none in the Japanese market," said he was unaware of the performance record of Nomura's investment trusts. But he added, the UK spotlight will be on Nomura to perform well with this fund. Providence has assets of £115m of which £41m are in the company's unitised funds.

Seven of these funds specialise in different sectors of the global economy but, after this week's launch, two are constituted as general Japanese growth funds. The other is managed by Henderson Baring. But the new Nomura fund will provide the focus of a marketing campaign which will stress the managers' Japanese base.

Daiwa's reputation as a securities analyst has recently been rising, at the expense of Nomura, according to UK investors. "Nomura has failed to capitalise on a good research base," said one. "There has been growing disillusionment with them among foreign professional investors who want closer reasoned analyses."

But where the Japanese brokers *have an advantage over* UK investment managers is in their




knowledge of Tokyo market trading conditions. This fits in well with the *approach of* Atlanta Fund Managers, a new company and the product of a complicated series of investment *trust* take-over battles during the spring and summer.

The fund, which has a minimum investment limit of only £50 but which charges a 1½ per cent annual management fee, is expecting to hold only 20 to 23 stocks, close to the minimum permissible for a unit trust.

The stocks will be traded actively on a day-to-day basis and an annual turnover of well over 100 per cent is expected. Atlanta's Tony Cole will make the final investment decisions, but *Daiwa is acting as exclusive* advisers.

Another, more conventionally-managed fund was launched last week by the *merchant bank Hill* Samuel to invest in Japanese technology. Its managers will be drawing on the research of all the major *Japanese* broking houses, including Daiwa and Nomura.

But there is also a small in-house research team and access to Hill Samuel's dividend-discount model. This values companies on the basis of future forecast dividends, for up to 30 years ahead. Quite a contrast from Atlanta's day-to-day, even hour-to-hour, trading approach.

The other Japanese or Far Eastern unit trust to have been recently launched are Aitken Hume's Japanese Technology fund, Britannia's Japan Smaller Companies Fund and the Rowan Far Eastern Fund.

However much investors may feel that now they have already missed the best of the current upswing, the Japanese market is not subject to the same *cyclical fluctuations* as *its UK* or U.S. counterparts.

Although individual stocks bounce up and down dramatically, little has interrupted the steady rise of the market as a whole over the last 20 years.

Quantec's World Market Research Quarterly shows that by far the greater risk for the UK investor is the yen-sterling exchange rate, although over the last year this has been working in his favour.



**DAVID COHEN on how to give to charity more effectively**

# Advice for willing oldies

IF YOU'RE above the age of 60, you'le likely to be more charitable than your fellow citizens.

But earning a higher income than average is not likely to encourage you to give away more than average.

These were two of the conclusions published last month from a research project undertaken by the Institute of Fiscal Studies and the *Charities Aid* Foundation.

The research shows that families whose gross income was less than £100 a week in 1980 were unable to donate as much as the rest of the population. But a family earning more than £200 a week was no more generous than one with half its income.

On average, the British gave away to charity only 0.3 per *cent of their income, compared* with 1.8 per cent in the U.S.

These disappointing statistics point to a flaw in the Government's strategy of relying to a greater extent on the charitable and voluntary sector to provide certain communal and social services.

Mr Marc Ashworth, a research officer at the IFS, was sceptical about whether the enhanced tax concessions granted by the Government since the 1980 *Finance Act have encouraged* greater philanthropy. The value of the tax reliefs in the fiscal year 1981-82 he estimated to be £385m.

But one group of the population which is more conscientious about giving to charity is *the old*. Philanthropy declines as people go from their twenties into early middle age, the survey indicated. But those in the 60-69 group gave about 20 per cent more than people in their forties.

However, the old frequently fail to give in a tax efficient way and make a variety of other errors which lead to their wishes being distorted, particularly after their deaths.

A testator may not want to spell out the names of his chosen charities in his will, either because he wishes to retain flexibility or else because *he does not want his family to* know that they lost out to a cats' home.

If so, the Charities Aid Foundation offers a solution. The legacy can be made in its favour and it will arrange to distribute the money in accordance with a letter of wishes from the testator.

Such a letter can be changed without formality and is not a public document. The only charge for this service is the giving of 3 per cent of the legacy to the National Council for Voluntary Organisations. Alternatively, the testator can leave money on general charitable trusts, asking the trustees of his will to distribute it as he would wish.

If a charity is *specifically* named, there may be a problem if the name is not precisely correct.

A common error is to refer to an overseas charity rather than to its UK offshoot, for example, the International Red Cross rather than the British Red *Cross Society. The* overseas charity will probably not be recognised under English law in which case the Inland Revenue is likely to withhold the CTT exemption.

But there is a solution to this problem if all the beneficaries will co-operate. A deed of family arrangement, made within two years of the death, can amend the will by deleting the name of the overseas charity and substituting the UK branch.


Two books have recently been published on the subject of charitable legacies by Michael Norton of the Directory of Social Change.

"Leaving money to Charity" (£1.95) is a step by step guide for the layman while "Legacies" (£3.95) is a more detailed and technical work, aimed at charity administrators, lawyers and accountants. Copies of books are available from the Directory of Social Change, 9 Mansfield Place, London NW3.

# A CHARITABLE PLAN FOR CHRISTMAS

**THE HIGHER rate taxpayer with share capital who is feeling in a charitable mood as Christmas approaches should look at a life policy invested in Government securities which was launched last week.**

**The Warren Gilt Plan, devised by Epsom financial consultants Partridge, Muir and Warren, has been adopted with the help of the Charities Aid Foundation to provide a tax efficient way of funding charitable covenants out of capital.**

**The scheme exploits three *major tax concessions:***

- **Full tax relief is available at the taxpayer's top marginal rate for charitable contributions made under covenant up to a maximum contribution of £5,000 per year gross.**
- **Capital gains on gilt-edged securities are normally tax-free.**
- **Partial tax relief is available on the premiums of a 10-year life endowment policy.**

**The bulk of the capital put int othe plan is invested in a spread of gilts while the *remainder is used to make the* premium. After 10 years, the life policy yields a tax-free fund to the donor.**

**Partridge, Muir and Warren calculates that a taxpayer on the top marginal rate of 75 per cent who puts £33,000 into the scheme can fund payments of £5,000 a year to charity and receive a minimum of £55,000 for himself after 10 years. An administra*tive charge of £575 would be* deducted at the start.**

**A 60 per cent taxpayer making the same payments first annual charitable donation and the first annual life policy premium.**

**Each year one of the gilt stocks maturies and the money made available is used to fund a further charitable donation and a further £35,000.**

**After 10 years of inflation, would receive at least £40,000 on cautious assumptions after 10 years, while a 50 per cent taxpayer would receive however, these sums are likely to seem much less impressive than they do today. The use of conventional gilts and an endowment life policy produces considerable exposure to the risks of high *inflation* for yourself and your charities.**

**To avoid commiting yourself to a single charity for four years, the minimum period over which a covenant must ru, you can covenant the money to the Charities Aid Foundation.**

**You will be given a "cheque" book allowing you to re-direct the covenanted money to whichever charity —*whenever—you please.***

**Clive Wolman**

مكتمل الأصل

NON-EQUITY MANAGED FUNDS

# Punters knocked again

**Starting a new series, JOHN EDWARDS explains why the harsher rules for commodity funds will dent investors' profits . . . if they have any.**

OPERATORS of offshore commodity funds have been stunned to discover that they are caught by the Government proposals announced recently to clamp down on offshore tax avoidance schemes.

The main reason why commodity funds are offshore is not to avoid tax but simply that the Prevention of Fraud (Investments) Act forbids the establishment of funds in the UK that trade in physical commodities or in the futures markets. The authorised commodity unit trusts have to confine their activities to trading in commodity-related company shares.

At the same time offshore commodity funds, which are the futures markets' equivalent of (UK) unit trusts, do not generate income from investments like the roll-up funds. The profits (or losses) made from anticipating movements in the commodity markets provide the basis for the rise (or fall) in the value of the fund units.

However, the funds receive some income because, as a safety precaution, all the managers do not use the total amount invested with them for trading on the futures markets. The rest is put into interest-bearing instruments.

It is feared that UK residents, faced with paying income tax at a top rate of 75 per cent on the profits made when the fund units are cashed in, will be tempted to liquidate all their holdings before January 1, 1984 since up to then they have to pay only capital gains tax.

Roger Butler, taxation partner at accountants Arthur Young McClelland Moore is chairman of the British Federation's tax committee. He said it planned to send an appeal to the Government to change the Prevention of Frauds Act so that commodity funds are no longer forced offshore.

The question of taxing profits from offshore commodity funds is, however, somewhat academic at present, given the generally poor performance of funds during the past two years. In fact the tax changes will allow losses to be offset against tax on miscellaneous investment income under schedule D (vi).

According to figures compiled by Broad Court Investment Management, which recently launched its own commodity fund; during the first nine months of the year 17 of the 25 UK based funds showed a loss. U.S. funds performed even worse; 45 out of the 58 funds listed in Futures Magazine suffered losses.

Out of 19 offshore futures funds listed in the Financial Times, nine have lost money so far this year.

What has gone wrong? Fund managers blame the markets. They say that for the past two years, there have been few firm upward or downward trends to allow the chart-watchers to make profits.

Funds, which rely on charts to provide "buy" and "sell" signals to a pre-ordained pattern, are vulnerable to sideways moving markets, where prices move erratically up and down triggering off loss-making transactions on each occasion. This kind of "whipsawing," as it is known, can be expensive as losses accumulate.

The normal tactic of computer systems is to provide disciplined trading, cutting losses early and letting profits run. A series of small losses is supposed to be exceded by a few big gains, but at the moment the reverse is happening.

Some people argue that technical traders may well be responsible for their own downfall. They have become such a powerful force, especially in the U.S., that they often swamp the market and create just the kind of conditions where they suffer losses. At the same time the inflexibility of the systems means that many "floor" traders can anticipate what the funds are going to do and influence prices accordingly.

The best results recently have been achieved by the "fundamentalists," who analyse the fundamental factors determining supply and demand to make their trading decisions. Previously, however, they did badly while the technical funds prospered.

Despite the poor performance the expansion in the number of funds continues. Last month Lewis and Peat became one of the first international commodity merchants to become directly involved in launching a fund. In October Broad Court Investment introduced a fund, with a new gimmick, offering investors an insurance policy against fraud or malpractice by brokers.

It is an indication of the commodity markets reputation that an insurance policy of this kind should be considered necessary. The bigger funds claim that investors would do better by relying on reputable companies rather than paying an insurance premium.

But the fact is that funds, while offering considerable advantages in the form of trading expertise and limited liability, can also be used to confuse the investor. Many funds, even from highly respectable stables, include a great many hidden charges that make it difficult for the investor to make money.

In one big U.S. fund, for example, the charges and commissions are so large that 30 per cent profit a year has to be made for the investor merely to break even.

Brokers have backed funds, since it provides a method of generating turnover and bringing in small investors, who would otherwise not be economical to service properly.

UK investors have traditionally been wary of going into offshore funds, and the proposed new tax treatment will discourage them even further. Winchester Diversified—run by Drexel Burnham and Lambert —estimates UK residents account for only 20 per cent of their total fund. But no overall figure has yet been calculated.

There is apprehension, however, that the threatened increase in tax liability will drive a large proportion of the £80m currently invested in UK-based funds to the U.S., where commodity investors receive much more liberal tax treatment.

NEXT WEEK: Property funds.

## COMMODITY FUNDS

| Fund Manager/ Name of Fund | Date Month Year | * Issue Offer Price | ** Offer Price 31/10/83 | *** % Change | ** Offer Price 31/12/82 | % Change 1983 | Latest Total Value |
|---|---|---|---|---|---|---|---|
| **BISHOPSGATE** | | | | | | | |
| Armac | 10/74 | $10 | 62.75 | +527.5 | 54.15 | +15.88 | $3.012m |
| Count | 11/75 | 100p | 401.8 | +301.8 | 350.6 | +14.60 | £0.86m |
| Canrho | 4/77 | 100p | 275.6 | +175.6 | 174.2 | +58.20 | £0.13m |
| **CAL INVESTMENTS** | | | | | | | |
| CAL C & C | 3/81 | 100p | 88.8 | −11.20 | 100.2 | −11.40 | n/a |
| CAL Metal | 11/81 | 100p | 100.1 | + 0.10 | 73.2 | +36.70 | £0.7m |
| **DREXEL BURNHAM LAMBERT** | | | | | | | |
| Winchester Divers. | 4/78 | $10 | 20.98xd | +109.8 | 23.66 | −11.33 | $26m xd |
| **ENGLISH ASSOCIATION** | | | | | | | |
| Wardgate Comm. Fund | 10/76 | £10.42 | 21.52 | +106.5 | 16.99 | +26.66 | £3.37m |
| **IC TRUST MANAGERS** | | | | | | | |
| IC Trust | 2/81 | 105p | 155.8 | +48.40 | 93.10 | +67.30 | £0.23m |
| **NORMANDY TRUST MANAGERS** | | | | | | | |
| Normandy Metal Trust | 9/79 | 100p | 141.27 | +41.27 | 146.4 | − 3.50 | £0.4m |
| Normandy Comm. Trust | 10/80 | 100p | 186.65 | +86.65 | 166.37 | +12.20 | £0.1m |
| **QUILTER HEINOLD** | | | | | | | |
| Resource Fund | 1/81 | $1,000 | $1,470.71 | +47.07 | 1,526.26 | † | n/a |
| **ROTHSCHILD ASSET MAN.** | | | | | | | |
| Old Court £ Commod. | 1/76 | 100p | 127 | +27.00 | 95.90 | +32.40 | £35.01m |
| Old Court $ Commod. | 6/77 | $25 | 39.72 | +58.80 | 34.39 | +15.50 | $12.12m |
| **SAVE & PROSPER** | | | | | | | |
| Commodity (Jersey) | 11/76 | 100p | 110.8 | +10.80 | 111.3 | − 0.40 | £1.972m |
| **SURINVEST** | | | | | | | |
| Copper Trust | 12/75 | £10 | 13.06 | +30.60 | 13.60 | − 3.97 | £0.8m |
| **WREN COMMODITY MANAGERS** | | | | | | | |
| Wren Commodity Fund | 6/78 | 100p | 23.10 | −76.90 | 32.2xd | −28.30 | £0.039m |
| Precious Metal Fund | 3/81 | 100p | 123.5 | +23.50 | 146.7 | −15.80 | £0.024m |
| Vanguard Commodity Fund | 6/81 | 50p | 37.00 | −26.00 | 42.40 | −12.70 | £0.521m |
| Chinese Fund | 12/80 | 100p | 67.80 | −32.20 | 58.8xd | +15.30 | £0.100m |

FOOTNOTES: * Per unit. ** Or nearest possible date. *** Percentage change between the original issue offer price and the offer price on October 31 1983 or nearest possible date. † One-for-10 split in August 1983.

*Research: Sue Hopkins, Editorial Research Desk*



# The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(6) as at close of business on Monday 21st November 1983; columns (7)–(11) as at 31st October 1983.

| Total Net Assets (1) £million | INVESTMENT POLICY Trust (2) | Management (3) | Share Price (4) pence | Yield (5) % | Net Asset Value (6) pence | Geographical Spread: UK (7) % | Nth. Amer. (8) % | Japan (9) % | Other (10) % | Gearing Factor (11) base=100 | Total Return on N.A.V. over 5 years to 31.10.83 (12) base=100 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **CAPITAL & INCOME GROWTH** | | | | | | | | | | |
| 98 | Aberdeen | Aberdeen Fund Managers | 135 | 4.9 | 166 | 67 | 28 | 3 | 2 | 104 | 228 |
| 335 | Alliance Trust | Independently managed | 450 | 4.0 | 652 | 38 | 48 | 8 | 6 | 96 | 257 |
| 55 | Anglo Scottish | Gartmore | 138 | 2.7 | 150 | 47 | 44 | 2 | 7 | 100 | 259 |
| 73 | Bankers | Touche, Remnant | 129 | 4.4 | 179 | 58 | 28 | 9 | 5 | 109 | 261 |
| 165 | Border & Southern | John Govett | 116 | 3.9 | 165 | 44 | 25 | 22 | 9 | 102 | 223 |
| 57 | British American & Gen. | Kleinwort Benson | 83 | 4.5 | 104 | 50 | 38 | 7 | 5 | 103 | 221 |
| 241 | British Investment | Independently managed | 265 | 5.9 | 378 | 49 | 39 | 11 | 1 | 87 | 230 |
| 58 | Brunner | Kleinwort Benson | 60 | 4.3 | 78 | 47 | 41 | 2 | 10□ | 103 | 265 |
| 45 | Cardinal | F & C Management | 128 | 4.1 | 176 | 54 | 24 | 6 | 16 | 105 | 243 |
| 57 | Charter Trust & Agency | Kleinwort Benson | 60 | 4.4 | 81 | 52 | 34 | 9 | 5 | 104 | 246 |
| 101 | Continental & Industrial | Schroder Wagg | 407 | 5.4 | 578 | 53 | 45 | – | 2 | 103 | 252 |
| 134 | Drayton Premier | Montagu Inv. Man. | 272 | 5.8 | 424 | 54 | 28 | 15 | 3 | 95 | † |
| 379 | Edinburgh Investment | Independently managed | 89 | 4.0 | 120 | 45 | 39 | 8 | 8 | 99 | 294 |
| 96 | First Scottish American | Independently managed | 196 | 3.8 | 257 | 41 | 40 | 17 | 2 | 108 | 231 |
| 69 | Fleming Universal | Robert Fleming | 206 | 4.7 | 312 | 57 | 27 | 8 | 8 | 99 | 216 |
| 441 | Foreign & Colonial | F & C Management | 98 | 3.3 | 137 | 40 | 32 | 20 | 8 | 110 | 254 |
| 45 | General Consolidated | Philip Hill | 172 | 5.8 | 239 | 57 | 39 | – | 4 | 97 | 254 |
| 40 | Glasgow Stockholders | Gartmore (Scotland) | 131 | 2.8 | 163 | 42 | 48 | 2 | 8 | 107 | 249 |
| 507 | Globe | Electra House Group | 193 | 6.1 | 275 | 64 | 23 | 7 | 6 | 96 | 208 |
| 249 | Philip Hill | Philip Hill | 198 | 5.4 | 253 | 70 | 26 | – | 4 | 96 | 247 |
| 7 | Jos Holdings | Kleinwort Benson | 91 | 4.7 | 106 | 64 | 33 | 3 | – | 105 | 246 |
| 22 | London & Lennox | Gartmore | 92 | 3.1 | 114 | 35 | 53 | 7 | 5 | 99 | 263 |
| 55 | London & Lomond | Gartmore | 95 | 3.2 | 122 | 42 | 51 | 4 | 3 | 117 | 254 |
| 25 | London & Strathclyde | Gartmore | 132 | 2.5 | 158 | 48 | 44 | 2 | 6 | 116 | 286 |
| 34 | Meldrum | Gartmore | 132 | 4.1 | 168 | 72 | 28 | – | – | 98 | 306 |
| 65 | Nineteen Twenty-Eight | Philip Hill | 145 | 5.1 | 174 | 49 | 46 | – | 5 | 95 | 226 |
| 114 | Northern American | Independently managed | 216 | 3.6 | 286 | 40 | 42 | 16 | 2 | 108 | 238 |
| 76 | Outwich | Baring Brothers | 93 | 3.7 | 133 | 55 | 22 | 12 | 11 | 113 | 223 |
| 97 | Raeburn | Lazard Brothers | 234 | 5.0 | 341 | 52 | 33 | 10 | 5 | 96 | 228 |
| 61 | River & Mercantile | Rivermoor | 93 | 6.5 | 124 | 65 | 19 | 10 | 6 | 98 | 251 |
| 32 | River Plate & General | Percy Tarbutt | 163 | 5.3 | 206 | 68 | 18 | 1 | 13 | 101 | 229 |
| 341 | Scottish Mortgage | Baillie, Gifford | 264 | 3.4 | 368 | 31 | 38□ | 24□ | 7 | 103 | 281 |
| 159 | Scottish National | Gartmore (Scotland) | 164 | 3.4 | 226 | 49 | 38 | 7 | 6 | 110 | 246 |
| 101 | Scottish Northern | Paull & Williamsons | 104 | 4.2 | 148 | 58 | 35 | 3 | 4 | 106 | 222 |
| 112 | Second Alliance | Independently managed | 398 | 3.9 | 567 | 37 | 48 | 9 | 6 | 98 | 258 |
| 112 | Securities Trust of Scotland | Martin Currie | 84 | 5.2 | 123 | 55 | 34 | 9 | 2 | 115 | 228 |
| 366 | TR Industrial & General | Touche, Remnant | 112 | 4.0 | 161 | 44 | 22 | 25 | 9 | 104 | 240 |
| 278 | Witan | Henderson | 109 | 3.1 | 159 | 47 | 29 | 15 | 9 | 106 | 265 |
| | **United Kingdom** | | | | | | | | | | |
| 8 | City of Oxford | Hambros Bank | 150 | 5.8 | 191 | 97 | 1 | – | 2 | 96 | 234 |
| 24 | Fleming Claverhouse | Robert Fleming | 173 | 5.7 | 244 | 98 | 2 | – | – | 100 | 261 |
| 21 | New Court | N M Rothschild | 310 | 6.3 | 398 | 97 | 1 | 1 | 1 | 103 | 229 |
| 4 | Shires | Independently managed | 171 | 9.9 | 174 | 98 | – | – | 2 | 69 | 155 |
| 78 | TR City of London | Touche, Remnant | 57 | 6.8 | 80 | 89 | 8 | – | 3 | 98 | 222 |
| 63 | Temple Bar | Electra House Group | 85 | 7.1 | 110 | 95 | 5 | – | – | 97 | 217 |
| | **CAPITAL GROWTH** | | | | | | | | | | |
| | **General** | | | | | | | | | | |
| 172 | Anglo-American Securities | Morgan Grenfell | 209 | 3.5 | 292 | 39 | 31 | 21 | 9 | 102 | 244 |
| 47 | Ashdown | Schroder Wagg | 308 | 3.2 | 423 | 49 | 34 | 9 | 8 | 92 | 251 |
| 149 | Atlantic Assets | Ivory & Sime | 93 | 0.5 | 121 | 33□ | 63 | – | 4 | 86 | 395 |
| 104 | Edinburgh Amer. Assets | Ivory & Sime | 185 | 0.7 | 218 | 12 | 77 | 7 | 4 | 109 | 325 |
| 58 | Electric & General | Henderson | 213 | 1.9 | 284 | 46 | 40 | 10 | 4 | 98 | 282 |
| 18 | Greenfriar | Henderson | 375 | 0.9 | 456 | 41 | 29 | 12 | 18 | 104 | 362 |
| 122 | Merchants | Kleinwort Benson | 75 | 4.6 | 103 | 48 | 39 | 7 | 6□ | 98 | 246 |
| 200 | Scottish Eastern | Martin Currie | 115 | 4.2 | 169 | 47 | 36 | 13 | 4 | 114 | 221 |
| | **International** | | | | | | | | | | |
| 60 | Berry | GT Management | 255 | 1.1 | 296 | 36 | 33 | 15 | 16 | 123 | 306 |
| 52 | Bishopsgate | Hambros Bank | 137 | 3.6 | 192 | 53 | 37 | 8 | 2 | 112 | 247 |
| 88 | English & New York | Kleinwort Benson | 78 | 4.2 | 102 | 36 | 50 | 5 | 9 | 100 | 234 |
| 61 | English & Scottish | Gartmore | 110 | 2.6* | 148 | 43 | 42 | 7 | 8 | 102 | 295 |
| 9 | F & C Eurotrust | F & C Management | 85 | 2.6 | 103 | 7 | 2 | – | 91 | 105 | 164 |
| 154 | Fleming Overseas | Robert Fleming | 246 | 4.1 | 346 | 19 | 39 | 26 | 16 | 88 | 232 |
| 22 | Group Investors | C.S. Investments | 224 | 2.2 | 273 | 44 | 45 | 9 | 2 | 97 | 339 |
| 99 | Hambros | Hambros Bank | 111 | 4.4 | 158 | 53 | 37 | 4 | 6 | 112 | 243 |
| 164 | Investors Capital Trust | Independently managed | 180 | 2.7 | 233 | 29 | 51 | 14 | 6 | 97 | 244 |
| 15 | London & Gartmore | Gartmore | 255 | 0.8 | 290 | 24 | 55 | 4 | 17 | 111 | 298 |
| 7 | Mid Wynd International | Baillie, Gifford | 106 | 2.4 | 131 | 13 | 36 | 31□ | 20 | 99 | † |
| 137 | Monks | Baillie, Gifford | 118 | 2.9 | 160 | 24 | 37 | 30 | 9 | 102 | 273 |
| 159 | Murray Clydesdale | Murray Johnstone | 69 | 2.9 | 98* | 31 | 49 | 15 | 5 | 99 | 235 |
| 41 | Murray Glendevon | Murray Johnstone | 224 | 2.0 | 295 | 34 | 28□ | 25 | 13 | 109 | 238 |
| 80 | Murray Northern | Murray Johnstone | 118 | 2.4 | 165* | 16 | 10 | 31□ | 43 | 114 | 233 |
| 175 | Murray Western | Murray Johnstone | 85 | 3.2 | 125* | 24 | 55□ | 15 | 6 | 94 | 240 |
| 56 | North Atlantic Securities | Morgan Grenfell | 227 | 1.9 | 289 | – | 58 | 31 | 11 | 104 | 258 |
| 20 | Northern Securities | GT Management | 390 | 1.3 | 473 | 44 | 31 | 12 | 13 | 117 | 278 |
| 80 | Romney | Lazard Brothers | 193 | 3.3 | 268 | 29 | 39 | 21 | 11 | 100 | 251 |
| 261 | Scottish Investment Trust | Independently managed | 195 | 3.4 | 281 | 29 | 42 | 17 | 12 | 100 | 233 |
| 82 | Trans-Oceanic | Schroder Wagg | 135 | 2.7 | 178 | 33 | 56 | 7 | 4 | 94 | 246 |
| 57 | Tribune | Baring Brothers | 157 | 3.2 | 222 | 32 | 43 | 15 | 10 | 92 | 263 |
| 152 | U.S. Debenture Corp. | GT Management | 152 | 6.1 | 202 | 50 | 35 | 11 | 4 | 102 | 202 |
| | **North America** | | | | | | | | | | |
| 111 | American | Edinburgh Fund Mgrs. | 95 | 3.5 | 130* | 30 | 70 | – | – | 98 | 243 |
| 183 | Fleming American | Robert Fleming | 374 | 1.6 | 486 | 13 | 86 | – | 1 | 87 | 233 |
| 16 | Montagu Boston | Montagu Inv. Man. | 103 | 1.7 | 110 | 20 | 80 | – | – | 84 | † |
| 122 | Stockholders | John Govett | 202 | 2.7 | 273 | 19 | 76 | 2 | 3 | 105 | 219 |
| 69 | TR North America | Touche, Remnant | 150 | 3.1 | 196 | 8 | 92 | – | – | 111 | 263 |
| | **Far East** | | | | | | | | | | |
| 20 | Drayton Far Eastern | Montagu Inv. Man. | 39 | 1.4 | 111 | 4 | – | 69 | 27 | 95 | † |
| 139 | Fleming Far Eastern | Robert Fleming | 225 | 1.0 | 267 | 2 | – | 73 | 25 | 103 | 266 |
| 127 | Lake View | John Govett | 214 | 2.8 | 273 | 24 | 5 | 46 | 25 | 105 | 231 |
| 6 | New Australia | Edinburgh Fund Mgrs. | 86 | 2.5 | 102 | – | – | – | 100 | 113 | † |
| 81 | TR Australia | Touche, Remnant | 166 | 3.1 | 217 | 13 | – | – | 87 | 103 | 233 |
| 85 | TR Pacific Basin | Touche, Remnant | 184 | 1.6 | 231 | 8 | 3 | 75 | 14 | 105 | 235 |
| | **Japan** | | | | | | | | | | |
| 20 | Baillie Gifford Japan | Baillie, Gifford | 189 | 0.1 | 204 | – | – | 100 | – | 93 | † |
| 43 | Crescent Japan | Edinburgh Fund Mgrs. | 612 | 0.4 | 631 | – | – | 100 | – | 99 | 262 |
| 123 | Drayton Japan | Montagu Inv. Man. | 304 | 1.4 | 353 | 3 | 4 | 89 | 4 | 98 | † |
| 72 | Fleming Japanese | Robert Fleming | 388 | 0.6* | 424 | 2 | 1 | 97 | – | 110 | 270 |
| 44 | GT Japan | GT Management | 663 | 1.2 | 608 | 11□ | 3 | 78 | 8 | 96 | 269 |
| 16 | Japan Assets | Ivory & Sime | 46 | 0.2 | 46 | – | – | 100 | – | 92 | † |
| 37 | New Tokyo | Edinburgh Fund Mgrs. | 248 | 0.0 | 269 | – | – | 100 | – | 96 | † |

| Total Net Assets (1) £million | INVESTMENT POLICY Trust (2) | Management (3) | Share Price (4) pence | Yield (5) % | Net Asset Value (6) pence | Geographical Spread: UK (7) % | Nth. Amer. (8) % | Japan (9) % | Other (10) % | Gearing Factor (11) base=100 | Total Return on N.A.V. over 5 years to 31.10.83 (12) base=100 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Commodities & Energy** | | | | | | | | | | |
| 6● | City & Foreign | Montagu Inv. Man. | 98 | 1.5 | 144 | 8 | 92 | – | – | 92 | † |
| 9 | New Darien | Hodgson Martin | 55 | 0.7 | 76 | 9 | 79 | – | 12 | 109 | † |
| 15 | Precious Metals | J. Rothschild | 93 | 0.8 | 126 | 10□ | 54 | 1 | 35 | 93 | † |
| 92 | TR Natural Resources | Touche, Remnant | 202 | 5.2 | 301 | 50 | 31 | 1 | 18 | 101 | 212 |
| 62 | Viking Resources | Ivory & Sime | 80 | 1.6 | 112 | 32 | 66 | – | 2 | 109 | 315 |
| 13 | Wemyss | Edinburgh Fund Mgrs. | 452 | 6.3 | 576 | 41 | 31 | – | 28 | 90 | 192 |
| 21 | Winterbottom Energy | Baillie, Gifford | 58 | 1.6 | 82 | 6 | 91 | – | 3 | 107 | 174 |
| | **Technology** | | | | | | | | | | |
| 67 | Fleming Technology | Robert Fleming | 121 | 2.5 | 169 | 42 | 36 | 19 | 3 | 97 | 262 |
| 89 | Independent | Ivory & Sime | 283 | 0.3 | 316 | 21□ | 73 | – | 6 | 85 | † |
| 240 | TR Technology | Touche, Remnant | 144 | 3.3 | 203 | 34 | 42 | 20 | 4 | 109 | 253 |
| | **INCOME GROWTH** | | | | | | | | | | |
| 198 | British Assets | Ivory & Sime | 148 | 4.8 | 202 | 37 | 58 | – | 5 | 101 | 250 |
| 15 | Lowland | Henderson | 153 | 5.4 | 192 | 84 | 7 | 2 | 7 | 96 | 324 |
| 96 | Murray Caledonian | Murray Johnstone | 80 | 7.9* | 99 | 66 | 16□ | 11□ | 7 | 97 | 239 |
| | **SMALLER COMPANIES** | | | | | | | | | | |
| 52 | Alliance Investment | F & C Management | 71 | 3.1 | 92 | 55 | 24 | 16 | 5 | 106 | 263 |
| 28 | English & International | Montagu Inv. Man. | 186 | 4.6 | 246 | 58 | 29 | 7 | 6 | 102 | † |
| 9 | Family | Kleinwort Benson | 150 | 6.1 | 195 | 95 | 2 | – | 3 | 100 | 224 |
| 16 | Fleming Fledgeling | Robert Fleming | 96 | 3.3 | 122 | 74 | 20 | 3 | 3 | 101 | 320 |
| 28 | General Scottish | Edinburgh Fund Mgrs. | 109 | 4.1 | 140 | 52 | 35 | 12 | 1 | 91 | 283 |
| 23 | General Stockholders | John Govett | 222 | 2.7 | 309 | 29 | 63 | 4 | 4 | 100 | 205 |
| 19 | London Atlantic | Investors in Industry | 128 | 5.9 | 168 | 65 | 17 | – | 18 | 91 | 212 |
| 15 | London Prudential | Kleinwort Benson | 178 | 4.4 | 223 | 62 | 25 | 9 | 4 | 93 | 246 |
| 11 | Moorgate | Philip Hill | 204 | 6.2 | 236 | 92 | 3 | – | 5 | 97 | 256 |
| 12 | North British Canadian | Investors in Industry | 134 | 5.9 | 178 | 86 | 4 | – | 10 | 106 | 219 |
| 37 | St Andrew | Martin Currie | 246 | 3.9 | 318 | 54 | 32 | 9 | 5 | 99 | 230 |
| 179 | Scottish American | Stewart Fund Managers | 185 | 3.6 | 258 | 40 | 49 | 6 | 5 | 127 | 262 |
| 131 | TR Trustees Corp. | Touche, Remnant | 97 | 4.7 | 140 | 63 | 28 | 3 | 6 | 105 | 233 |
| † | Throgmorton | Throgmorton Inv. Man. | † | † | † | † | † | † | † | † | † |
| | **SPECIAL FEATURES** | | | | | | | | | | |
| 45 | Ailsa | J. Rothschild | 68 | 3.9 | 88 | 39 | 35 | 19 | 7 | 96 | † |
| 117● | Drayton Consolidated | Montagu Inv. Man. | 230 | 5.3 | 336 | 60 | 26 | 8 | 6 | 95 | † |
| 24● | Fleming Enterprise | Robert Fleming | 168 | 6.1 | 236 | 100 | – | – | – | 92 | 245 |
| 215 | Fleming Mercantile | Robert Fleming | 89 | 4.4 | 133 | 45 | 33 | 9 | 13 | 101 | 254 |
| 13 | GT Global Recovery | GT Management | 88 | 5.7 | 107 | 29 | 35 | 17 | 19 | 104 | † |
| 60 | General Investors | F & C Management | 128 | 4.2 | 172 | 53 | 22 | 6 | 19 | 106 | 253 |
| 129● | London Trust | Rivermoor | 72 | 7.4 | 102 | 67 | 22 | – | 11 | 101 | 176 |
| 347● | RIT and Northern | J. Rothschild | 226 | 4.2 | 267 | 36□ | 37□ | 8□ | 19□ | 86 | 267 |
| 9 | Stewart Enterprise | Stewart Fund Managers | 36 | 1.6 | 50 | 32 | 48 | 11 | 9 | 122 | † |
| 65 | TR Property | Touche, Remnant | 113 | 3.5 | 143 | 74 | 13 | 3 | 10 | 103 | 213 |
| | **SPLIT CAPITAL (x)** | | | | | | | | | | |
| 16 | Altifund | Gartmore | 330 | 0.2 | 433 | 93 | 2 | 3 | 2 | 115 | 298 |
| 2 | Child Health Research | GT Management | 249 | – | 308 | 42□ | 24 | 17 | 17 | 94 | † |
| 27 | City & Commercial | Montagu Inv. Man. | 377 | – | 592 | 89 | 5 | 4 | 2 | 126 | 272 |
| 22 | Dualvest | Montagu Inv. Man. | 690 | – | 887 | 89 | 9 | 1 | 1 | 121 | † |
| 21 | Fundinvest | Montagu Inv. Man. | 195 | – | 281 | 86 | 6 | 4 | 4 | 118 | † |
| 2 | Marine Adventure Sailing | GT Management | 164 | – | 201 | 47 | 27 | 16 | 10 | 89 | † |
| 25 | New Throgmorton (1983) | Throgmorton Inv. Man. | 22 | – | 60 | 98 | – | – | 2 | 209 | † |
| 8 | Rosedimond | Hambros Bank | 190 | – | 205 | 100□ | – | – | – | – | 171 |
| 21 | Save & Prosper Linked | Save & Prosper Group | 143 | – | 325 | 100 | – | – | – | 137 | 182 |
| 17 | Throgmorton Sec'd Growth | Throgmorton Inv. Man. | 200 | – | 296 | 100 | – | – | – | – | 163 |
| 59 | Triplevest | Montagu Inv. Man. | 445 | – | 753 | 85 | 11 | 3 | 1 | 125 | † |

NOTES TO THE TABLE

† No data.
* Applies to Ordinary/"A" Ordinary only.
a Does not include special dividend.
□ More than one quarter in non-equity investments.
(x) Capital shares.
● More than 20% in securities or other assets included at directors' valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.

(a) Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. members of The Stock Exchange. The figures in Cols 1 & 6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

(b) Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

INDICES OF FIVE YEAR TOTAL RETURN

| | |
|---|---|
| +Investment Trust Average | 249 |
| F.T.-Actuaries All Share | 245 |
| * Standard & Poors Composite | 214 |
| * Tokyo New Share Exchange | 128 |
| * Capital International World | 174 |

+Excludes split capital.
* Adjusted for exchange rate changes.

AITC The Association of Investment Trust Companies

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, FREEPOST, London EC2B 7JJ. Tel: 01-588 5347.

# Buying a new way of life

**BY JUNE FIELD**

FROM CRAFT shops to self-catering flats, country pubs and *hotels—small* businesses which provide a home as well as an income are in demand.

Even though a record 12,000 businesses in England and Wales went bust last year, many *people still* want to take a gamble and be their own boss, provided that they can work and live on the premises.

"During a time of static and declining values in most commercial properties, the small business market is surprisingly buoyant," says David Rugg, managing director of Christie and Co. business agent in London's Baker Street.

"But an important factor is whether a business has family accommodation. Buyers of small hotels and public houses particularly are aware that they are also buying a way of life."

Most people have to use the proceeds from the sale of their house, topped up by a loan or a redundancy payment, to finance a fresh venture.

Specialist agent Russell Kay says he gets 500 inquiries a week for small businesses: "But probably 90 per cent of these cannot actually afford to go ahead until they sell their existing home or business. So plan your finance first."

Keys' brochure (free from 225-229 *Church Street*. Blackpool), lists everything from grocery shops to furnished flats. A place with nine letting units on the promenade at Blackpool, bringing in £550 weekly, plus owners' accommodation, could be around £80,000.

Management consultant John J. O'Callaghan's *How To Make Money in the Hotel and Guest House Business—An Entrepreneur's Guide* (£5 from Sales Dynamics, Cronk Drean, Douglas, Isle of Man) contains useful facts and figures.

Start-up capital for a 12-bedroom guest house is given as in the region of £40,000, providing the potential to borrow another £40,000 from the bank.

For profitability and return on capital, a hotel with a turnover of £100,000 should, on average, make about £33,000 clear of all expenses. Although as one hotel owner observes: "It all depends on how well you know your business."

Mike Sommerville, partner in B. Wainwright and Co., 53, King Street, Blackpool, says the goodwill formula or premium used to be twice the net profit, plus the value of the property and fixtures and fittings.

"Now you can almost forget about having to pay for goodwill. The going rate is down to about once the net or nothing at all! One values the bricks and mortar plus the quality and condition of the kitchen fittings and all the other equipment and furnishings."

What about running a public house, that favourite dream of so many? Being a publican is very rarely as simple as it sounds. Getting up on a cold winter's morning to take a delivery of beer to the cellar needs stamina, as any landlord will tell you.

J. G. Miles, editor of *Innkeeping — a manual for licensed victuallers*, sums it all up: "Only people with a certain personal gift make really fine innkeepers . . . . (with) a special kind of warmth and hospitality . . . . supported by a professional approach to their calling."

The book is £4.95 including postage from Pauline Williams of The Brewers' Society, 42, Portman Square, London, W1, who will also send notes on careers in the licensed trade including training courses.

The notes describe the difference between a manager who receives a salary from the brewery which owns the pub, and a tenant who rents the property from the brewery. A manager is sometimes required *to put up a security bond*, a tenant will need capital to cover the ingoings — fixtures, fittings, stock and so on.

Free houses — there are about 24,000 in the UK — are *owned outright by the licensee*, and there are always such pubs coming on the market now the brewers are cutting down on their holdings.

A prospective buyer would do well *to study the evocative Time Gentlemen Please!* (£3.50 from SAVE, 68, Battersea High Street, London SW11). It includes pertinent information on the areas that are "overpubbed," and uneconomic, as well as details of a few places for sale, including some that have had to close because of low trade and poor profits.

The enterprising and far-seeing prepared to undertake a rescue operation might possibly pick up a bargain.

Robert Barry and Company publishes an annual review of the hotel and public-house market, free from Mervyn Cully, partner in Robert Barry, Cotteswold House, Cirencester, Gloucestershire, which gives a good idea of what places fetch.

Early this year they sold the 15th century Lamb Inn, Burford, on offer in excess of £220,000 for the freehold, and the *historic Thomas Paine Hotel at Thetford*, Norfolk, for an "undisclosed price." Understandably, some proprietors are reticent about discussing figures.

*To* give an idea of what small country pubs can be bought for, in Nottinghamshire, Carter Jonas has just sold The Admiral, in Holme, named after Vice-Admiral Thomas Wells *(1759-1811)*, one of Nelson's captains whose family owned the Holmewood Estate.

With two bars (the licence was surrendered, but the Clerk to the Magistrates had indicated there would be no objection for a fresh application), and six-bedroom living accommodation, it went for £65,750 on tender.

The same agent sold the Three Horseshoes in Longstowe, 11 miles from Cambridge, for about £80,000. Earlier this year, the Fox and Hounds at Beauworth, Hampshire, went for £87,000 at auction through L. S. Vail & Son, the price reflecting the fact that the Georgian inn with its 400-year-old treadwheel above a 300 ft well, needs considerable restoration before it opened for business again.

Brewing beer on site has become a major attraction of publicans and their public who like to watch the brewing process. An old Devon village pub, recently on offer at £130,000 through Christopher Grimshaw, Webbers Commercial, Bristol and West House, Barnstaple, came complete with a detached malthouse as well as a skittle alley and separate owner's accommodation.

Webbers also specialise in little corner shops with living accommodation in Devon villages, suitable for a first-time business, from around £30,000, as well as guest houses and hotels with tea-gardens

Serving teas is becoming a fashionable business again, particularly around Tetbury, Gloucestershire, where there has been a good turn-over in business generally since the Royal Wedding. Humbert's local office reports an increasing demand for tea shops. Not so long ago, at least five applications for planning consent to convert cottages to tea-rooms were lodged with the Cotswold District Council.

Cornwall is a fruitful setting for tourist teas. Fox and Sons' offices in Plymouth and Penzance have had a variety of unusual attractions, all with residential accommodation, on the market recently.

Small period hotel (centre), built in Colonial style in two acres in C alstock, on the Cornwall/Devon border overlooking the River Tamar. It has 9 bedrooms and 4 bathrooms, and offers in the region of £100, 000 are being invited by Mr R. D. Thomas, Michelmore Hughes in association with Strutt & Parker, 24 Southernhay West, Exeter (0392 215631).

The Forge, Dunhampstead, by the Worcester/Birmingham Canal, 3 miles from the M5 motorway junction at Warndon No. 7 exit Offers around £76,500 are being invited for the freehold 3 bedroom cottage and leasehold craft-cumsouvenir shop which is owned by the British Waterways Board who will consider renewing the lease which has three years to run. Details Andrew Grant, 59/60 Foregate Street, Worcester (0905 24477).

## BRIDGE

**E. P. C. COTTER**

I FELT surprised and humiliated when I went down in this hand from a rubber:

N
♠ J 7 6 5 4
♡ A Q 7 2
♦ K 4 3
♣ 10

W
♠ —
♡ K 8 4
♦ 8 7 6 5 2
♣ A Q J 7 4

E
♠ A 2
♡ J 10 9 6 5 3
♦ A
♣ 9 6 5 2

S
♠ K Q 10 9 8 3
♡ —
♦ Q J 10 9
♣ K 8 3

With North-South vulnerable, I dealt in the *South seat* and opened the bidding with one spade, West doubled, and my partner bid two no trumps, the conventional response indicating a good raise to three spades. *Personally, I think he should* have bid four spades. East came in with four hearts, and my bid of four spades concluded the auction.

West led the King of hearts—how would you propose to play? Before I give you my thoughts, let me tell you what happened. I won with dummy's Ace, discarding a club from hand, and returned the four of spades. East won, cashed the diamond Ace, returned a club to West's Ace, and ruffed the diamond return—one down.

It is clear that if I lead dummy's ten of clubs at trick two in order to sever the enemy *lines of communication, I make* my contract, because East cannot get his partner in to give him a diamond ruff. Now I am not in the *habit* of missing safety plays like this Scissors Coup—I had considered it, but did not think it was right on this occasion. Suppose West wins the club ten, and holding the diamond Ace—which was likely in view of the poor quality of his hearts—plays Ace and another diamond for East to ruff with his singleton two, the trumps being divided 1-1. Then I would have felt a real palooka.

After examining the evidence I acquit myself of the crime of which I am charged. Gentlemen of the jury, what is your verdict?

In a pairs event which followed soon afterwards I managed to restore some self-confidence:

N
♠ 7 5 2
♡ 3
♦ A K 9 2
♣ K J 7 6 4

W
♠ 6
♡ J 9 6 2
♦ J 8 6 3
♣ Q 10 5 2

E
♠ A K Q 4
♡ 8 5 4
♦ Q 5 4
♣ A 8 3

S
♠ J 10 9 8 3
♡ A K Q 10 7
♦ 10 7
♣ 9

Again in the South seat, I dealt at a love score and bid one spade, North replied with two clubs, and I rebid two hearts. North now said three diamonds, and I went three no trumps.

West led the two of clubs, I played low from dummy, East contributed a surprising eight, and my nine won. I returned the spade ten, East took his Queen, and led the eight of hearts. Winning with the King, I led the spade three to the seven and King. Taking East's heart five with the Ace, I returned the Knave of spades to force out the Ace, and East tried a third heart, which I won with my Queen.

West had petered in hearts, and had thrown diamonds on *two spade leads—his hand pattern* was surely 1-4-4-4.

In the six-card ending West had the heart Knave, *the* Knave, eight of diamonds, and Queen, ten, five of clubs, dummy had *his four diamonds*, and King, Knave of clubs, East had the spade four, the Queen, five, four of diamonds, and Ace, *three* of clubs, while I had nine, eight of spades, and ten, seven in each of the red suits.

I cashed my two spades, forcing a diamond and a club from West, and the club three from East. I threw a diamond and the club Knave from the table. Now I led my diamond ten—the unblock is essential—covered by West's Knave and dummy's King. East was thrown in with the club, and it was all over.

## CHESS

**LEONARD BARDEN**

VIKTOR KORCHNOI had a dream start last week in his Acorn Computer world championship semi-final against Gary Kasparov in London. A win with Black, a blow to his opponent's favourite opening, quick-moving blitz tactics which put him an hour ahead on the clock, and a fine end-game worth a place in the anthologies—Korchnoi produced them all.

Three draws followed, but Kasparov did not look completely recovered from the opening shock and postponed Tuesday's fifth game. Speculation was that he needed more time to repair his opening system, which Korchnoi had ravaged. (See game below.)

Match play has its own special pressures. Media attention, long preliminaries, an unfamiliar venue and an experienced opponent catch many grandmasters cold at the start. Kasparov, aged 20 and in an English-speaking country for the first time, was visibly tense and nervous where his older rival was relaxed. With eight games to go, Kasparov can still *justify his* reputation and the computer prediction from Acorn, the *sponsors*, that his chances are 89 per cent. But it looks already clear that the Russians blundered by sending *their young prodigy here only* two days before the start of the match with insufficient time to acclimatise.

Global interest in the match is shown by more than 100 chess journalists and *distinguished* ex-players who have come from everywhere to report and watch. Walking into the press room is like entering a time capsule of post-war tournaments. The legendary *veteran Miguel Najdorf* from Buenos Aires, still a great player at 73, Robert Byrne of the U.S., Yuri Averbakh the Moscow *grandmaster* and end-game writer, Roman Toran from Spain, all are there. To watch *Najdorf dissect* a game in progress is a chess education in itself.

Korchnoi won last week's game by blunting Kasparov's preferred formation of a pawn centre *and king's side* attack. His slight edge became decisive when Kasparov still tried to attack when the right play was to head for a draw.

**WHITE: G. Kasparov (USSR)**

**BLACK: V. Korchnoi (Switzerland)**

Queen's Indian Defence (1st match game 1983).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-KB3, P-QN3; 4 N-B3, B-N2; 5 P-QR3 (Kasparov's patent), P-Q4 6 PxP, NxP; 7 P-K3, P-N3!

The routine 7. . B-K2; 8 B-N5 ch, P-B3; 9 B-Q3 has been the scenario for some of Kasparov's best wins.

8 B-N5 ch, P-B3; 9 B-Q3, B-N2; 10 P-K4, NxN; 11 PxN, P-QB4; 12 B-KN5 (B-K3 and O-O is more solid), Q-Q3; 13 P-K5, Q-Q2; 14 PxP, O-O!

A strong pawn sacrifice, better than PxP; 15 R-QN1 when White may exploit the open files and diagonals.

15 PxP, PxP; 16 O-O, Q-B2; 17 B-N5, BxP.

Korchnoi was an hour and a half ahead on the clock, having taken only two minutes for 16 moves of his prepared variation. Now he pondered for 45 minutes before regaining the pawn, to ensure that Kasparov could not exploit the weaknesses around Black's king.

18 B-KR6, B-N2; 19 BxB, KxB; 20 Q-Q4 ch, K-N1; 21 N-N5, P-R3; 22 N-K4, BxN; 23 QxB, N-R3; 24 Q-K3?

A serious, perhaps decisive mistake, for in the sequel Korchnoi's knight proved superior to the white bishop. Instead 24 BxN, RxB; 25 Q-QN4 should *draw, for even if Black* wins two queen's side pawns for one then rook and four against rook and three on the same side is a theoretical draw.

24. Q-B4! 25 QxQ, NxQ; 26 KR-N1, KR-Q1; 27 B-B1, R-Q8; 28 R-N4, K-B1; 29 P-QR4, R-R4; 30 P-N3, K-K2; 31 K-N2, P-B4; 32 B-N5, R-Q7; 33 R-Q4.

Allowing a forced liquidation, but White's position is much inferior. Black's threats include N-K5 and P-K4-5.

33 . . . RxR; 34 PxR, NxP!

Now if 35 BxN,P-QN4; as played Black's outside passed pawn guarantees a win.

35 RxN,RxB; 36 R-R7 ch, K-Q3; 37 R-R7,P-R4; 38 R-KN7, R-Q4; 39 RxP,P-N4; 40 K-B3.

The time control move; Kasparov avoided a forfeit with 90 seconds to spare.

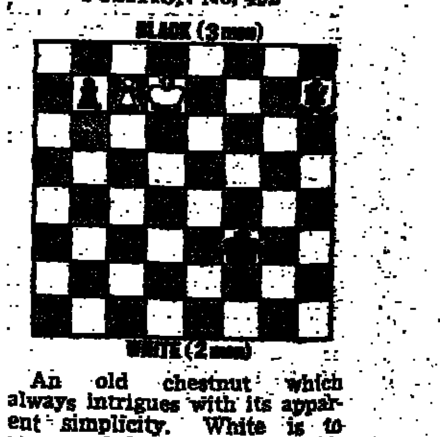
40 . . . P-N5; 41 K-K3,P-N6; 42 K-Q2,RxP ch; 43 K-B3,P-N7; 44 KxP,R-Q7 ch; 45 K-B3,RxP; 46 P-R4,P-B5!

Without this possibility White might still draw, but now 47 PxP,RxP and RxRP is a book win.

47 R-N5,R-B6 ch; 48 K-Q4, RxP; 49 RxP,R-K6! (keeping out the white king); 50 R-R6, K-K2; 51 P-R5,P-K4 ch; 52 K-Q5,P-B6; 53 Resigns.

**POSITION No. 492**

BLACK (3 men)

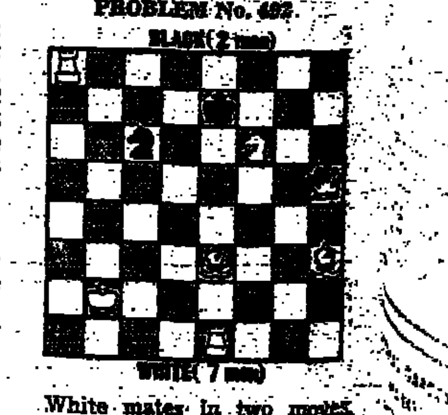


WHITE (2 men)

An old chestnut which always intrigues with its apparent simplicity. White is to move and draw; his problem is that the obvious 1 P-B8=Q fails to B-B4 ch; 2 K-B7, BxQ; 3 KxB, P-N4 when Black queens his pawn.

**PROBLEM No. 492**

BLACK (2 men)



WHITE (7 men)

White mates in two moves against any defence (by K. Zukovin).

Solutions, Page 16



OVERSEAS PROPERTY ALSO APPEARS TODAY ON PAGE 15

**Arthur Sandles** gives his pick of Christmas travel and **Sylvie Nickels** looks at Lugano

# *Best bets for sunshine, and snow*

THERE ARE fortunates who close their doors on Christmas Eve and retreat to their own fireside. A toddle down to the village church, a bracing stroll on the heath before lunch, perhaps an excursion with the hunt — waving whip or protest banner according to their views on the subject. That is a traditional pattern.

Such joys are confined to a few. If the coffee shop of the Newport Pagnell motorway service area has been any guide at previous Christmases an increasing section of the nation become family taxidrivers ferrying aunts, children, grannies and inlaws back and forth across the country while the cargo is kept happy with sweet sherry and mince pies.

No wonder there are those who yearn at times for Christmas away.

In broad terms, and in rough price order, there are four types of Christmas escape—the sun, the snow, foreign cities and our own doorstep. Most British hotels have special packages but choose with care. Some aim to be jolly, some gastronomic, some romantic and some simply quiet. Do your homework before making a choice. The tourist board of the region you choose should have a detailed list of Christmas packages on offer from local hotels.

Try the West coast to escape the worst weather. Northern Scotland, the Yorkshire Dales and perhaps even deep Kent as the best bets (if at long odds) for a white Christmas and even the prospect of being snowed in.

As for the sun, you get what you pay for. In other words the more certain the sun the more you will have to pay. The Mediterranean, particularly the European coastline, is unreliable. The nearest good sunshine bets are Israel (Eilat) Egypt (if you want to mix culture with the celebrations; but avoid Cairo for it will blunt the most festive spirits) and the Canaries. Be very careful in assuming that the further south you go the better weather you will get. In much of the Southern tropic December is the rainy season. Stay clear of the Seychelles, for example, until late March.

If jet lag is not a deterrent, the real sunshine favourites are, of course, the islands of the Caribbean. Jamaica, having a boom time at the moment, may be booked solid by now. Barbados is much smaller, perhaps friendlier, and certainly for the sibarite. For more simple Caribbean pleasures, try the British Virgin Islands or the islands of the Grenadines (which inspite of the name and the proximity to that famous island have remained peaceful).

Snow, can be almost as difficult to find in late December as the sun, and the problem is made worse for if you do find it, you might also be surrounded by hearty skiers—not the best of situations if you have gone off looking for a quiet Christmas card holiday without any boistrous hassle. Scandanavia. Upper New England and the Northern Rockies would be my nap for a white Christmas. Indeed, the Rockies have already been enjoying or enduring their first snow storm of the season.

In most U.S. and Canadian mountain areas, you can rent self catering condominiums complete with open fires, a rare find in Europe, relatively inexpensively.

A rare sight as a businessman skis in front of Buckingham Palace, in January 1979.

There is no doubt, however, that the nearest thing to a greeting card country in the snow is Austria, although Christmas is not always a good time for the white stuff in that country. I would hedge my bets here, with a city holiday. Salzburg, Innsbruck, or Lienz (in the east Tyrol) would be the top three.

I would not go to the other end of Austria. Vienna in winter is a sombre place, with all those heavy buildings, sulking and waiting for the spring. Paris, New York and London are much more pleasant. You might, of course, find snow in Moscow, but this is a city of interest, rather than festivity.

One of the reasons London is an ideal Christmas city is that so few people actually live in the centre. This may seem an odd bit of reasoning but it does mean that visitors have a wonderfully uncluttered London to themselves. The streets, the parks, the squares and even the shopping areas are strangely deserted, from Christmas Eve onwards. Given the usual crisp but dry holiday weather of the the capital makes for splendid strolling conditions.

The one fly in the ointment is that the Government, while urging the rest of us to be more alert to market forces, tends to shut down those attractions over which it has control, and for which there is a crying Christmas need.

For outside entertainment, one must turn to private enterprise such as Madame Tussaud's and the London Dungeon, when the National Gallery and the Tower of London close their doors. (On Christmas Eve, space permitting, we will publish a list of what is open in London and major provincial cities during the Christmas week.)

Most London hotels are offering special attractions and packages. These are a few examples:

● Hotels in London with special Christmas packages include the John Howard Hotel, 4 Queen's Gate, SW7; The Savoy; Alexander Hotel, 9 Sumner Place, SW7; London Tara, Scarsdale Place, W8; The Dorchester; The Athenaeum; Central Park, Queensborough Terrace, W2; The Ritz, Piccadilly; Forum Hotel, Cromwell Road, SW7; Ebury Court, 26 Ebury Street, SW1; Royal Garden, Kensington High Street, W8; Hilton, Holland Park Avenue, W11; Leicester Court, 41 Queens Gate Gardens, SW7, Imperial, Russell Square, WC1. Crest and Thistle offer accommodation discounts in their hotels around the country.

Mount Pleasant Hotel, 53 Calthorpe Street, WC1 has a 4-night package for £98 per person, including films, excursions and a dance. The Christmas House party at the Richmond Hill Hotel, Surrey, costs £199.50 from Christmas Eve tea to breakfast on December 28. It includes competitions, dancing, racing at Kempton Park and a gymkhana. A special programme at the Grand Hotel, Southampton Row from December 24-28 costs £116 per person.

# *Switzerland's deep south*

I HAVE just received a leaflet detailing the special all-in weekly offers this winter to Lugano. The Swiss are very good at this sort of thing, and Lugano's package is fairly typical of what you can expect in a wide selection of Swiss cities and resorts.

In this case, 35 one- to five-star hotels are participating with a choice of seven nights' b and b, half or full board. The half board prices range from SwFr 245-SwFr 888 (about £76 to £275) and also cover a lot of extra goodies from a welcoming aperitif and entrance to some indoor pools to free unlimited use of much of the local transport. Substantial reductions apply for children under 12 years.

As further encouragement, the leaflet tells us that the sun shines on average for 549 hours in Lugano between December and March—also the driest period of the year—which is 220 hours more than in Paris and 379 more than in Milan.

Not so long ago I experienced Lugano in full summer mood. It is an extraordinarily attractive place, its suburbs cascading down the lower slopes of the twin sentinel mountains of Monte San Salvatore (912 metres) and Monte Brè (925 metres) to converge on a jumble of narrow streets in the centre of town, fringed by a broad boulevard round the shores of a wide bay.

If I had any moans, it was a surfeit of humanity, but human nature and Swiss topography being what they are, it was easy enough to escape.

The region has several plus points. One of them is its closeness to Italy. Another for map-and-timetable addicts like me is the enormous variety of do-it-yourself excursions (there are plenty of the other kind) to be evolved variously combining trolley bus, bus, train, lake steamer, cog wheel railway, funicular, cable car and chair lift with shank's pony. Regional holiday season tickets in summer offer unlimited travel on most forms of transport, free or with a 50 per cent reduction.

One successful day began with an early morning funicular ascent of Monte Brè. A short walk down from the top station are the pretty chalets and cobbled alleys of Brè village from which we did an hour's circuit climbing up through woods of beech and sweet chestnut before the much steeper descent of about 600 metres to the lake shore village of Gandria.

This exquisite little place clings like a limpet to the foot of the mountain close to the Italian border and is one of about a score of communities—almost every one a small gem—served by the Lugano passenger fleet.

We boarded one of these for the short crossing to Cantine di Gandria where the Swiss Customs authorities run a fascinating Smuggling Museum dedicated to man's ingenuity in that art and his matching skill in confounding it. It is accessible only by boat or on foot along the shoreside path.

Almost every village has something to offer, even if it is nothing more than its own prettiness and ever-glorious setting. More specific examples are a typical Ticino house from the Renaissance period in Bissone; Swissminiatur — a kind of "instant" mini-Switzerland in models—at Melide, from which a cable car also leads up to the botanical park and sports centre of Carona; and the marvellous old fishing village, now an artists' haunt, of Morcote.

View of Lugano from Mount Brè

For one of the finest private art collections in Europe you need go no further than the Castagnola district of Lugano, where El Greco, Goya, Rembrandt, Rubens, Velasquez are among at least a score of the "greats" whose works are exhibited in the lovely Villa Favorita.

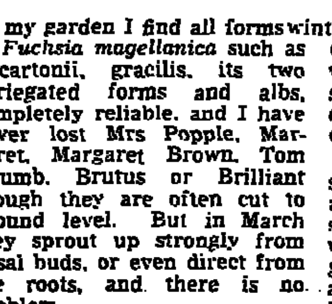
Arts and handicrafts in their various forms are strong features of the area. A crowded weekly market fills the narrow streets of the town centre.

The Ticinese produce their own full bodied wines and the local gastronomy is worth investigating.

Traditionally built into the living rock or against a hillside, you'll find those of Lugano in the wooded Gentilino district. We spent our last evening there, eating al fresco under the trees. *Tagliada* (a tasty selection of cold meats) was followed by *luganighe* (pork sausage) with polenta, and rounded off with formaggino, a light white goat's cheese, and *torta di pane*, spiced bread cake. Including wine and coffee it came to about £10 a head.

Though there is plenty on offer in the coming months inevitably certain attractions, such as some museums and sports facilities, are not available in winter when local transport is also more restricted. Summer packages ex-UK for 1984 are in the £300-£600 price range, depending on departure date and accommodation (two- to five-star), with return flight and 15 days' half board and private facilities.

# *Season of preparing for the worst*



## GARDENING

ARTHUR HELLYER

MANY GARDENERS must long for the day when the experts can give them a reliable forecast of the winter weather that lies ahead. That seems very unlikely for a long time yet and in the meantime it seems wise to assume the worst and prepare for a severe winter, by which I mean that in places temperatures will fall, at any rate briefly, to around −16 deg C or 3 deg F.

Of course, there are many places in which this will not happen however bad the winter. It is extremely unlikely near the sea, least of all around the south-west and west coasts, nor is it probable in large towns in which the heat from buildings is usually sufficient to prevent temperatures falling to these very low levels.

But in many other places it could well happen, for even lower temperatures were registered in many gardens, particularly in the Welsh border counties, in the savage winter of 1981-82.

So what precautions should a prudent gardener take now? Bulbs, corms and tubers are seriously at risk, even in considerably less severe conditions if they are so prolonged that frost bites deep into the soil. Gladioli and dahlias are probably already in store—though it is not too late to lift them now.

But I have been astonished how many gladiolus corms and dahlia tubers do survive outdoors even during cold winters and my present practice is only to lift those that I actually need to keep my stock going and leave the rest to take their chance outdoors.

The upshot usually is that I need only replant a few of those stored since there are so many survivals outside.

Much more problematical are the shrubs and herbaceous plants that have no thick covering of soil to protect them. Which are at risk and what, if anything, can be done about it?

Fuchsias present a special problem for there are hundreds of varieties which range all the way from a considerable degree of hardiness to complete tenderness by which I mean inability to stand any frost at all.

Specialists divide these plants into hardy and greenhouse varieties but it is a totally artificial distinction since there is no jump from one group to the other but a constant progression which leaves no clear dividing line.

In my garden I find all forms of *Fuchsia magellanica* such as riccartonii, gracilis, its two variegated forms and albs, completely reliable, and I have never lost Mrs Popple, Margaret, Margaret Brown, Tom Thumb, Brutus or Brilliant though they are often cut to ground level. But in March they sprout up strongly from basal buds, or even direct from the roots, and there is no problem.

Lena, always included in the hardy lists, is much less reliable with me. The only precaution I would suggest taking with fuchsias is to spread a two-inch layer of peat over them now as a warm blanket for the roots.

There is no possibility of doing that with ceanothus and all kinds are at some risk, some more so than others. My most reliable kind is *Ceanothus impressus* and I see that this fine evergreen species with deep blue flowers also comes out well in the hardiness survey for the 1981-82 winter carried out by Gill and Ken Beckett and published in the Royal Horticultural Society's journal for scientifically minded gardeners, *The Plantsman*.

Except by the sea, most people plant ceanothuses against sunny walls and there they can be further protected with the finest plastic netting or with polythene-covered frames securely fixed to the wall.

Camellias are much tougher than many gardeners believe and I have yet to see any killed outright by frost but flowers and flower buds can be severely damaged. *Camellia sasanqua* and its varieties are at greatest risk because they start to flower in autumn and can continue all winter but I imagine few gardeners plant these lovely things without knowing the risk and so taking the obvious precaution of giving them the protection of a west facing wall.

*Carpentaria californica* also seems to be hardier than generally supposed and I have yet to see a bush of this beautiful white-flowered Californian evergreen killed by frost, but then all the plants I know are growing in sheltered places, snugly tucked in against a wall or otherwise protected from the severest weather.

In such situations carpentaria probably needs no further covering, always a relief because there is the risk that anything spread over plants may do more harm than good, inducing premature growth or creating too stuffy an atmosphere in which fungi thrive.

Hebes are a funny lot for they do not always behave according to the book. I find *Midsummer Beauty* delightful but unreliable. Its white-flowered parent, *H. salicifolia*, is much hardier and in my garden has never been more than singed by frost. The small hummock forming H. Pagei is also hardy but *H. albicans*, which is rather similar but looser in growth, I find less reliable. *H. ochracea*, which most nurserymen sell as *H. armstrogii*, also seems safe and is a most distinctive plant with tiny copper-yellow leaves close packed on slender stems which all seem to have been combed in the same direction.

I would not try to protect any of these but I would root a few cuttings each summer and keep them in a greenhouse, frame or sunny window in case of trouble.

For years I have grown the Norquinco Valley form of *Embothrium coccineum lanceolatum* and lost it only to honey fungus, never to frost.

I have never been able to keep any eucalyptus for more than a year or so, not even *Eucalyptus gunnii* which for long was regarded as the hardiest species though that place now seems to belong to the Snow Gum, *E. niphophylla*.

All the experts say that pollarded eucalyptus trees are hardier than those left to grow unchecked, which seems unnatural since one would have supposed that the lush growth produced by hard pruning would be more tender than the thinner growth of the unpollarded tree.

What is quite clear is that it is easier to protect a relatively small pollarded eucalyptus than a big tree and, since the foliage of the pollarded tree is also more handsome, this would seem to be the way to grow eucalyptus except in maritime gardens.

Hydrangeas are a puzzle. *Hydrangea paniculata* and *H. arborescens grandiflora* are safe. *H. quercifolia* less so and most of the garden varieties of *H. macrophylla* and *H. serrata* risk losing the tips, of the stems where the best growth buds are.

To lose them can be fatal for flowering the following summer and there are many gardens in which these hydrangeas rarely give a full display for that reason. I leave the dead flower heads until March as some protection but it is a very partial one and my advice to hydrangea lovers who have had this kind of difficulty is to plant varieties such as Generale Viscomtesse de Vibraye which flower well even when the upper buds have all been killed.



# *Versatile Renault hybrid*

## MOTORING

STUART MARSHALL

"NEITHER three-box nor a hatchback, but a combination of the two" is how Renault describe its new 25, which makes its official debut at the Geneva Show next February.

In a bid to pre-empt those freelance photographers, who lurk in trees close to proving grounds, armed with 500 mm lenses, Renault released quite a lot of detail of its new big car last week.

One would not mistake it for anything but a Renault. The nose could be from a face-lifted Renault 18; the curved Fuego-type backlight drops on to a minuscule rear deck.

It replaces both the V6 engined 30 and the four-cylinder 20 models, with 2-litre petrol or diesel engines (the latter offered in a turbo-charged version), 2.2 litre petrol with fuel injection or a V6, also fuel injected. There are only two transmission options—5-speed manual or 3-speed automatic. According to model, the 25 will give buyers performance (a 124 mph maximum for the V6) or economy (a claimed 41 mpg average for the 2-litre turbo diesel).

Unusual features—apart from the tailgate-cum-boot lid—are a faired-in undertray, which clearly helps to explain the excellent aerodynamic drag figure, and electrically defrosting exterior mirrors. Other goodies available optionally on the cheaper 25s and standard on the top of the range ones are central locking for doors and petrol filler flap, electric sunroof and digital fuel gauge.

The fascia is a mix of conventional dials and electronics, with a Maestro-type voice synthesiser. Renault has had its own speaking car, the *11 Electronique*, for nearly as long as BL has had the Maestro, though it has not yet been sold in Britain. Unlike the Maestro's voice, the Renault's is male. The French explain this by saying they couldn't imagine any male motorist listening to advice from a woman. They think women drivers probably feel the same.

The 25 is quite a large car—at 15ft 3ins it is nearly six inches longer than the 20 or 30 — and Renault stresses its internal spaciousness. Mechanically, it breaks no new ground, with a fore-and-aft mounted engine and all-independent suspension. The 25 goes on sale in France next March and reaches Britain in the early summer. Prices will be announced at the end of February, by which time I shall have driven several versions.

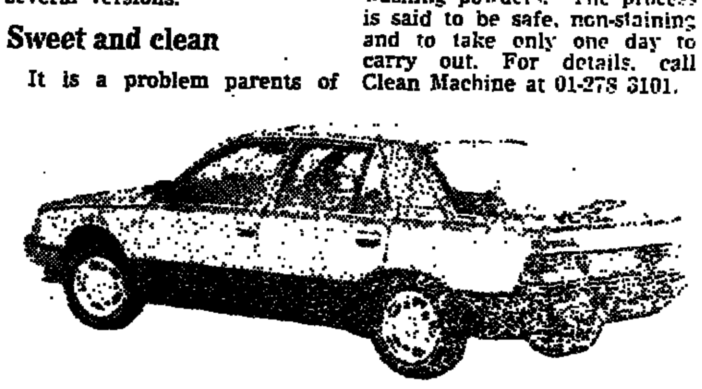
**On the motorway, the six-cylinder Jaguar XJ-S 3.6 is as much a magic carpet as the 5.3-litre, 295-horsepower V12 model. At 70 mph the 225-bhp, 24-valve engine is hardly more than ticking-over at less than 2,500 rpm. On the autobahn, 120 mph is still sepulchral and Jaguar's claimed maximum of 145 mph seems realistic. In almost 1,000 miles, most of it on the continent, I returned an excellent 22.9 mpg, despite much three-figure driving. The ride comfort is more like that of a limousine than a sporting two-plus-two. Pushed on winding roads, the big Jaguar—it weighs more than 32 cwt and is over 15½ ft long—responds easily to the power-assisted steering and is beautifully mannered.**

**I liked it much less in town. The long, hump-topped bonnet, shallow windows and rear "flying buttresses" restrict visibility. The clutch is heavy, with a long travel and the German 5-speed gearbox has a notchy shift. Worse still, the economy device that cuts off the fuel when the throttle is closed on the overrun above 1,100 rpm makes the transmission uncharacteristically jerky for a Jaguar. It would be a much nicer car with a modern, three-speed plus overdrive automatic. But it is splendidly made, carefully finished and fully equipped. For what it is, the Jaguar is not expensive at £19,250. The strictly two-seat cabriolet version, made to order only, is £20,756.**

### Sweet and clean

It is a problem parents of young children or owners of dogs know all about. They throw up in the backs of cars, usually without warning. Cleaning up the after effects is a horrible business and often so ineffective.

The Clean Machine car valeting organisation tells me they have the answer—a bacteria-containing chemical that swallows up organic waste, like those dirt digesting enzyme washing powders. The process is said to be safe, non-staining and to take only one day to carry out. For details, call Clean Machine at 01-278 3101.



Renault's new big car the 25. A cross between a hatchback and a three-box saloon.

# Piper country

BY ANTHONY CURTIS

Richard Ingrams has been on glorious tramp around ngland and Wales in search Piper's Places (Chatto and indus/The Hogarth Press 2.50, 184 pages). He chatted bout them with the painter on to be 80 whose retrospective exhibition opened at ie Tate Gallery on Wednesday. he result is a lovely book to avour, especially after a visit the show. In it Ingrams resses the quintessential nglishness of Piper's gift, its ieship with the visionary adition of Blake and the oreham artists, and its pprenticeship in work with etjeman on the Shell guides, nd with J. M. Richards when e was on the Architectural eview. All very true, but do ot let us fall into the trap of aking Piper sound too exclusively insular. He is no Pop arkin. That marvellous uminousness which he lends the facades of ancient hurches, and other places here prayer has been valid intensely theatrical. The ource lies as much in modern allet as in the paintings of almer. As Piper wrote in avid Herbert's book on the peras of Benjamin Britten:

> In the mid-twenties, long before the war, I had been to all the Diaghilev ballets I could get to while working in my father's law office, and the excitement—the tinge of exultation worked in my blood and bones as it did for many of my generation, not to mention those older and younger.

Piper's places recorded in his book in full colour plates nclude Oxfordshire and Suffolk hurches, the burnt-out shell of oventry Cathedral in 1940, the acade of the Sitwell country eat, Renishaw. Is one erverse in regretting the bsence of a page or two on hose great fictive domains, the ower and staircase at Bly, the portrait gallery of the Wingraves?

Happily this tradition of British painters taking time off to work as designers with composers and directors still continues. We can see the permanent legacy of such work in the opera-house as far afield as Venice and New York as well as London and Glyndebourne in **Hockney Paints the Stage** (*Thames & Hudson* £20.00, 277 pages). Here is everything Hockney has done in this way, from the Hogarthian Rake to the Dufyesque *Enfant et Les Sortilèges*, with many colour photographs of the designs in performance.

Like Piper Eric Ravilious, whose career was cut tragically short by his death in 1942, is one of those English artists whose work has yet to come fully into its own. This will be hastened by two books: Helen Binyon's **Eric Ravilious: Memoirs of an Artist** (Lutterworth Press £15.00 144 pages) with its copious reproductions of the paintings and of the engravings in which he excelled and **The England of Eric Ravilious** by Freda Constable with Sue Simon (Scolar Press, now in paperback at £8.95).

From Ravilious's love of clean, clear outline it is but a short jump to the cross-hatched, whimsical pen-and-ink world of his fellow war-artist, Edward Ardizzone. In Edward Booth-Clibborn's **My Father and Edward Ardizzone: A Lasting Friendship** (Patrick Hardy Books, £7.50 48 pages) we see the illustrator in a characteristically festive mood: it is embellished charmingly by his inimitable Christmas cards.

Piper, Ravilious, Ardizzone all appear along with many others in Alan Ross's **Colours of War** (*Jonathan Cape £12.50*, 192 pages) a perceptive look at the work of the official artists in both world wars based on archives in the Imperial War Museum and relating the paintings to poetic utterance and private letters.

After the Second World War in 1951 came the Festival of Britain heralding a new era in the arts; its director of architecture, Hugh Casson, emerges in his **London** (Dent £9.95, 128 pages) as a delicate watercolourist with a love of pale shimmering tones. He depicts the view from his festival office of the South Bank, Buckingham Palace from within the grounds but largely masked by huge trees, Chiswick Mall on a fine day: each drawing is accompanied by his own topographical notes.

It is time to cross the Channel and what better or more erudite guide could there be to Paris than a British Francophile living in exile in New York, to wit John Russell? In this handsome book (Thames and Hudson £25.00, *350 pages*) on the French capital he takes us from the grand boulevards and faubourgs to the humbler arrondissements with a wealth of lightly worn knowledge and love of the history he has to unfold.

On to Italy and we have some equally learned cicerones: Alvise Zorzi, a Venetian, in charge of cultural programmes on Italian television, to expound on the history of his native city in **Venice: City—Republic—Empire** (Sidgwick and Jackson £15.00, 278 pages) and our own "Mr Venice" John Julius Norwich in **The Italian World** (Thames and Hudson £18.00) leads an international band of scholars and historians who between them cover a span from prehistoric days to the present. All good preparation for **The Genius of Venice 1500-1600**, the Royal Academy's winter exhibition; catalogue published by Weidenfeld & Nicolson (£16.50, or £8.95 paperback).

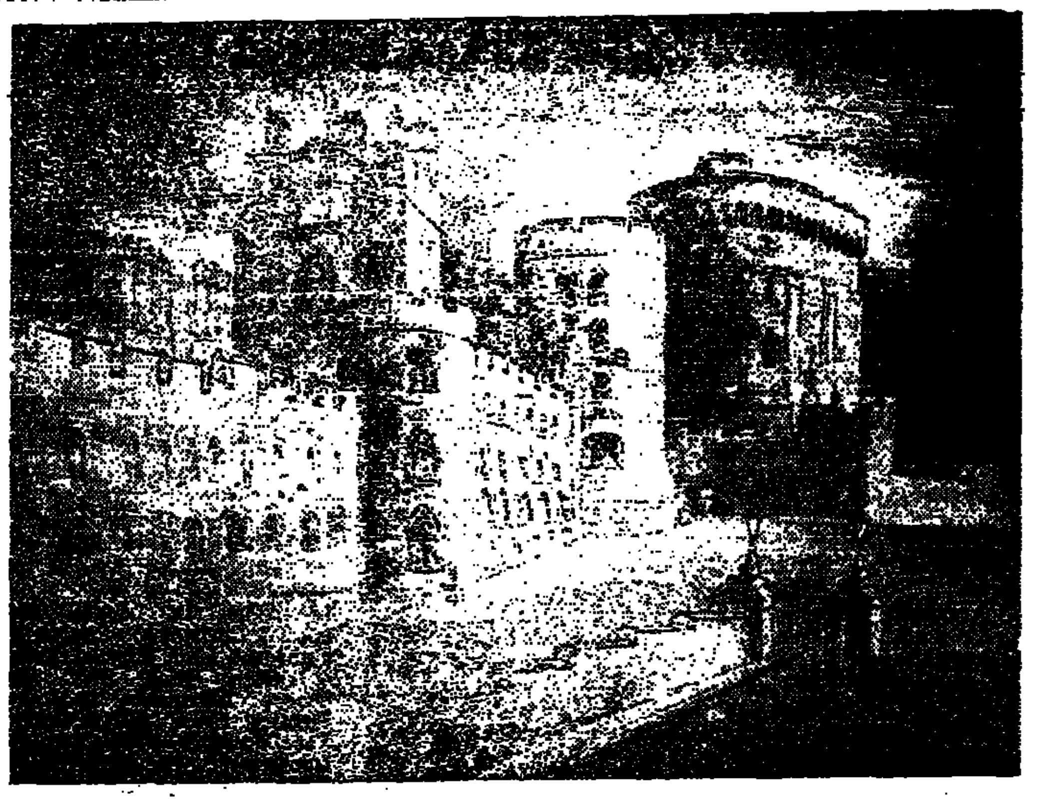
A different team led by a lecturer in architecture at the university of Florence, Maurizio Fagiolo dell'Arco, shows us around **The Vatican And Its Treasures** (The Bodley Head £20.00, 278 pages). The Sistine Chapel, the Raphael Rooms have had their paintings reproduced thousands, if not millions, of times; but the hugely blown-up details here will stand comparison with the best of previous efforts. *Paul Joannides* **The Drawings of Raphael** (Phaidon £65.00, 27 pages) which contains a complete catalogue, is one of those works of scholarship likely to have a wide appeal, particularly as its appearance coincides with the current exhibition.

Papal treasures are outshone only by royal ones. These are *the glittering heart of the* matter in Prince Michael of Greece's **Crown Jewels of Britain and Europe** (Dent £12.95, 144 pages), not only the crowns but some of the heads that wore them are included among the sumptuous illustrations. Some of the wearers were deposed and what did they do then? After her divorce from Napoleon, Josephine retired to Malmaison and cultivated her garden. She commissioned Redouté to paint her roses, 169 varieties in all, many now extinct; but they all survive in **Roses For An Empress** edited by Lorenzo Camusso (Sidgwick and Jackson £8.95, 117 pages).

We traverse the haunting *mist-driven and myth-ridden* borderland between history and legend in Joy Chant's **The High Kings** (Allen and Unwin £12.95, 240 pages) illustrated by George Sharp. The author bids us attend the court of King Arthur while she divulges in Maloryesque prose the epic stories told about his Celtic ancestors. It is a fascinating attempt to capture the spirit of an almost forgotten oral tradition.

Susan Lasdun's **Making Victorians: The Drummond Children's World 1872-1932** (Gollancz £6.95, 95 pages) is another absorbing book that reconstructs a vanished world, one much nearer in time but just as remote in spirit. The colour illustrations reproduced here are a series of children's paintings of life in an affluent Victorian family (the Drummonds were bankers much married into the aristocracy).

William De Morgan moved in somewhat different circles, those of William Morris and Burne Jones. He was blessed with energy immense even by Victorian standards; in his sixties he turned to novel-writing, but for most of his working life he was a potter, and it is this aspect of him that is displayed in **William De Morgan: Tiles** (Trefoil Books, £14.95, 184 pages). Single tiles are about the last beautiful object that can be bought comparatively cheaply, and the ones reproduced here with their magnificent floral and animal designs and bright glazes, inspire one to seek out De Morgan's work if any of it is to be found.



"Windsor Castle" (1942) *by John Piper—from "Piper's Places."* A major retrospective exhibition of the painter's work has just opened at the Tate Gallery

**My Book of the Year: Critics' Choices will appear in next week's *Books Page***

# Rolling stock

BY B. A. YOUNG

The ability of grown men to see themselves as engine-drivers, chairmen or chief mechanical engineers of railway systems is one of the more harmless eccentricities of the century, and the replacement of steam by oil and electricity hasn't killed it yet. O. S. Nock, who in collaboration with Gordon Biddle, has written and edited **The Railway Heritage of Britain** (Michael Joseph, £12.95, 270 pages), has appeared both as driver and engineer, but is now chairman. This is a handsome survey of railway buildings, stations, viaducts and so on, with pictures of almost all the references.

Derek Brock, writer of **Small Coal and Smoke Rings** (John Murray, £8.95, 150 pages) really was a driver, on the GWR, and his anecdotal recollections are a colourful picture of the splendours and miseries of life on the railways.

Alexander Frater and Brigadier John Faviell confine themselves to being passengers. Mr Frater's **Stopping-Train Britain** (*Hodder and Stoughton*, £10.95, 167 pages) describes journeys on country lines in far corners of the nation. Mr Frater's vivid pictures of the trips and the country they go through are equalled by the splendid colour photographs by Alain le Garsmeur. The Brigadier, who is 84, gives us **Railway Journeys of My Childhood** (Pan Books, £8.95, 112 pages), and takes us back up to 80 years. The pictures are his own, drawing and paintings, many of them coloured ones reviving the memory of the polychromatic rolling-stock of the pre-grouped railways: and there are explanatory notes to tell the younger generation of railway-buffs what the railways were like in that golden age.

Model railways can be as obsessive as the real thing. Richard Lines's **The Art of Hornby** (Kaye and Ward, £8.95, 100 pages) is in its way the equivalent of Brigadier Faviell's book, for Hornby trains began in 1925, and except for the spoilt few who had Bassett-Lowke scale models (most of us were content if we just had their catalogue), young people mostly began with Hornbys. This book illustrates the progress from the tin clockwork 0-4-0s to the LNER Pacific and Southern "Public Schools" with their replica Walschaert valve-gear.

As for the **World Guide to Model Trains** (Sphere Books, £7.95, 256 pages), this is virtually a Jane's Book of Trains. There are 2,500 pictures of locos and other rolling-stock *from* Gauge 1 (45 mm) to Z Gauge.

# Heart of Oakes

BY GAY FIRTH

**At The Jazz Band Ball: A Memory of the 1950s**
by Philip Oakes. André Deutsch. £8.95. 251 pages

"Peter Stanford," of the "big watchful eyes and a nose that curved like the blade on a tin-opener," is a man to watch in *Philip Oakes's third volume* of autobiography: another "memory," following on *From Middle England* and *Dwellers All In Time and Space*. Over three decades — the 1930s, the early 1940s, and now here, through the final weeks of war into the 1950s—they read like an exercise in total recall.

> "'You think that only realists understand the truth,' said Stanford. 'All that broken glass and rain in the gutter. But you're wrong. There's more than one side to it.'"

Yes, there is. And there is nobody quite like Philip Oakes for showing "more than one side," if readers can be bothered to look. If we cannot, or will not, it will not matter; and Mr Oakes probably will not mind.

His account of friendship with Stanford, a kindred spirit *encountered* first at Warley Barracks, Essex, in the first weeks of a National Service spent listening to jazz, learning to type, and writing, in Cairo, for the army magazine *Parade*, which circulated throughout the Middle East, is his twitch at his reader's sleeve: a twitch upon the thread of "truth" which binds fact and fiction into reality in the work of all serious writers, whether poets, novelists, screenwriters, autobiographers, even critics. Mr Oakes has been all of these. For him and for them, writing is "*not merely* a diversion or a hobby, but a way of understanding and explaining the world." *Vide* Stanford: "'They aren't exactly *literal* poems,' he said. 'I mean they didn't actually *happen*. There is a girl, but I've made her into a fiction.'" Philip Oakes professes himself baffled. (He is not.)

*Whatever literary label* we pin on story-telling—"novel," "autobiography," even "fable"—it is the story that counts. Mr Oakes tells a very good story indeed. *At the Jazz Band Ball* is as stylish, as apparently faithful to the truth, and even more fun to read than his first two shots at "memory." His perceptions of his life and times, delivered in prose reminiscent of Orwell's, sometimes as elegantly hilarious as Waugh's, are at least as important as accurate recollections of people, *relationships, and the early* working life of a junior hack reporting magistrates' court proceedings from the Clerkenwell cell which served as impromptu office.

FOR CHILDREN

# When Badger tricked Mole

BY VALERY McCONNELL

If you hanker after the spirit of Christmas Past, then try the seasonal anthology of stories for children edited by Sara and Stephen Corrin. **Round the Christmas Tree** (Gollancz, £5.50, 118 pages) is suitable for nine-year-olds and under and contains 16 stories choc-a-bloc with Father Christmas, Christ*mas trees*, *Christmas* fairies and wishes coming true. Sometimes the whimsicality becomes a little cloying, but to relieve it there is a closely observed tale by Beatrix Potter, the jaunty exploits of Mrs Pepperpot and the enjoyable awfulness of Dorothy Edwards's Naughty Little Sister.

Eleven-year-old Nicola, the heroine of **Hi there, Supermouse!** by Jean Ure (Hutchinson, £4.95, 124 pages), also has a younger sister, but this one seems to be sickmakingly good at everything. Then Nicola gets a chance to play the Bad Little Girl in a Christmas mime only to have her mother give the part to her sister instead. Jean Ure manages to produce a subtle portrait of the unfair mix of family affections and its effect upon the misunderstood child, along with a thoroughly believable happy ending.

*Michael Figg, the hero of* **Get Lavinia Goodbody** by Roger Collinson (Anderson Press, £4.50, 128 pages), is also misunderstood. He is not only blackmailed by his older brother but forced by his parents to drag after him his older cousin, Lavinia, just when he's trying to get into Basher's exclusive gang. The twist is that Lavinia is a potential superwoman. She plays football, she is brave, she doesn't sneak and has the psychological insight of Sigmund Freud. It's a clever idea but doesn't work because girls like Lavinia simply don't exist. Her one frailty is that she fancies Michael's big brother, proving that despite all her perfection she is just an old-fashioned *stereotype at heart*.

Michael Denton's **Fantastic** (Granada £4.95, 93 pages), doesn't bother with girls—the only female is formidable *Aunty Nannerl, who* despite being of a firmly domestic nature, manages to bonk people at frequent intervals with her rolling pin. In fact, getting bonked is an occupational hazard of being in this story, which it is almost impossible to describe, except to say that it is very funny, fast moving and totally dotty. Full of *awful puns, silly names and* incredible happenings, it has the cumulative hilarity of an in-joke at school with an agreeable atmosphere of wickedness hovering around.

The humour of Gwen Grant's **One Way Only** (*Heinemann* £6.95, 138 pages) is equally robust, but based on the down-to-earth exploits of a working-class Nottinghamshire family in the 1930s. It has the charm of using dialect and describing a way of life that has disappeared, but the relentless, forthright drollery of its young heroine can become tiresome.

Also from the 1950s, Macmillan have republished four stories by Rumer Godden under the collective title, **Four Dolls** (£5.95). The book is sensitively *designed with rich colour illus*trations by Pauline Baynes. They have been written with rhythm, making them perfect stories for reading out loud. There are two Christmas dolls for festive measure, but my favourite is Impunity Jane, a doll with no clothes but lashings of reckless courage.

Hamish Hamilton have two new books in their Antelope series, **The Christmas Cat** by Adèle Geras and **The Sleeping Train** by Jenny Carter, both at £1.95. For slightly older *children*, **The Vanishing Gran** by Hazel Townson (Anderson Press £3.50, 72 pages) is a swiftly-paced adventure story of two boys getting it all wrong but emerging as heroes in the end. For the same age group **The School Dinner Disaster** by Jacqueline Pinto (Hamish Hamilton, £2.75, 85 pages) concerns children trying to save their school canteen from closure by the local council. A realistic theme in these days of education cutbacks, although the happy outcome rings less true.

**How Mole Nearly Won a Lottery** is a delightfully funny book for small children by Kurt Bracharz (Macmillan, £4.25, 62 pages). Badger tricks the good-natured Mole into giving him the hundred thousand he has won in the aforesaid lottery, but he gets his come-uppance when it turns out to be a hundred thousands tins of worms! *Tatjana Hauptmann's illustrations* are as vivid and lively as the text.

**The Sheep-Pig** by Dick King-Smith (Gollancz, £5.50, 118 pages) is based on the ingenious notion of a pig winning the National Sheepdog Trials because he has discovered that if you ask sheep very politely to carry out an instruction they are only too pleased to comply.

# Honorary Frenchman at large

BY ROBERT MAUTHNER

**Sam White's Paris: The Collected Dispatches of a Newspaper legend**
by Sam White. New English Library. £9.95. 336 pages

Sam White is more than just a foreign correspondent. He has become an institution. Few *people are either old enough* or have long enough memories to remember the time when he was not writing his famous Letter from Paris for the Evening Standard.

The collection of Sam White's articles—sometimes irritatingly superficial, often very perceptive — provide an immensely varied and colourful personal picture *of Paris and French life* since the end of the Second World War.

The author has always basked in the journalistic luxury, accorded to him by his original employer, Lord Beaverbrook, and successive editors, of being allowed to put his own interpretation on the hard facts. It is that interpretative freedom which gives these vignettes of France their special character and makes them so readable.

Those who look upon Sam White as merely a superb gossip-writer, who has chronicled with the sharp and humorous eye of the professional observer great social events of our time, such as the weddings of Aly Khan and Rita Hayworth, and Prince Rainier and Grace Kelly, are doing him an injustice.

Certainly, his "scoop" apropos of Lady Jebb, the wife of the British Ambassador in Paris at the time (1954) *ripping out* the bidets in the British Embassy, will for ever stand as a monument to Sam White's eye for detail.

"One can imagine the horror *of the French plumbers* as they went about their almost sacrilegious task," is one of those immortal phrases which seems to sum up much of the differences in outlook between the French and British people.

The freedom that Sam White was given, in his comments on French political affairs, allowed him to counter some of the almost *obsessive* anti-Gaullist and anti-French sentiments prevalent in other Western countries, particularly in Britain and the U.S. during the late 1950s, 1960s and early 1970s.

Though working for the Beaverbrook organisation, Sam White rarely accepted his employers' or indeed the British Government's *views of France* during this period and thus provided those willing to learn with a valuable insight into the other side's views.

Not only for this reason, but because of the simple and graphic style employed to bring often very complicated events to life, such as General de Gaulle's mysterious flights to see his generals at the time of the 1968 student revolt, Sam White became required reading for many people.

When the famous bar at the Hotel Crillon, watering-place of so many journalists, was modernised, Sam White was given the corner of the old bar which he had adorned for three decades. This collection of his dispatches from 1947 to the present day, which takes us on a fascinating journey through time from the starving Paris of the post-war period, through the Algerian war, de Gaulle's return to power and the Common Market wrangles with Britain, gives him the right to a piece of the Eiffel Tower as well.

# Red and green

BY RACHEL BILLINGTON

**The Neverending Story**
by Michael Ende. Allen Lane. £8.95. 396 pages

This is a fantastic adventure story in which Bastian Balthazar Bux, "a fat little boy of 10 or 12" meets Grograman, the Many-coloured Death, The Old Man of Wandering Mountain, The Seeing Hand, The Child-like Empress and many others. It is also a tale of spiritual re-birth and a paean to the power of the imagination.

If this sounds too pretentious to be readable, then I should also admit that the book is printed in red and green ink with the first letter of each chapter illuminated in imitation psalter fashion. However, it also comes with the imprimatur of over a million copies sold in Germany, its country of origin, and an impressive progress round the rest of the world.

The composition of the book is neat and effective. Red print *represents the human world* where Bastian begins the never ending story, green print the world of Fantastica where he meets his adventures. Finally the two are seen to be all one in his imagination.

The book's strength lies in Herr Ende's inventive skill which produces an extraordinary variety of characters in extraordinary locations. The weakness is caused by the same lavish invention. For, after a while, the theme is not strong enough to hold together such a *long string of events*. His vision of the human state is simply not as strong as that of C. S. Lewis or a Tolkein. Nevertheless, it is an original work, often exciting, sometimes moving and will doubtless please aficionados of the genre.

# All you need to know about auctions

YOU may have £5, £50 or £50,000 to spend but whether you are after a dining table, a fur coat, four dozen bottles of claret or an aeroplane, the best value for money is likely to be in an auction room, not a retail shop. And selling at auction is a speedy remedy to a cashflow problem.

Auction houses provide a wealth of information and entertainment—all free. You do not have to dress up, nor show the colour of your money. There is no admission charge. At the viewing, usually the day before the sale, you can touch, pick up and study the pieces and seek advice from the staff on hand. Goods vary from motley collections of house clearances or liquidations to high season sales at Christie's and Sotheby's which are like a visit to a national museum — indeed museum buyers may be competing for some lots. These are rare chances to see at close hand superb works of art familiar through picture books or glimpsed beyond forbidding ropes in country houses.

Auction rooms, to the habitué, are treasure troves. To others they are a mystery. Yet once you grasp the knack of buying by bidding, whether for a sofa, a painting or a pillbox, they can offer value for money, novelty, and always the thrill of the chase. Here Louise Nicholson offers a basic guide to buying and selling at the 'sales.'

An experienced auctioneer can put on a one-man show which would rival many West End entertainers. As master of ceremonies he sustains the audience's interest for about three hours—without an interval. He whisks through some lots and lingers over others, keeps the cheeky, chattering dealers in their place, teases out bids for unsellable monstrosities and builds up tension for the star pieces.

It is more fun to join in and bid, but myths about sale-rooms deter newcomers who sit anxiously rigid throughout. But it is unlikely that you will buy a Tiepolo with a tummy rumble or a dozen beds with a blink.

There is also widespread suspicion about hidden charges, the tricks of the professional dealers and intimidating grandeur of some sale-rooms that have combined to give a false image of the way auctions work.

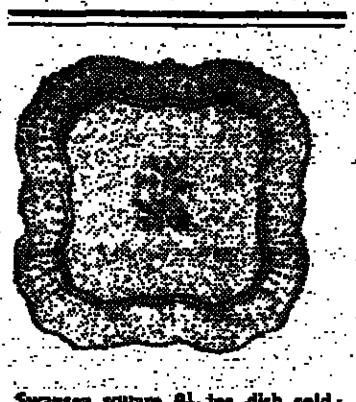
In fact it is easy to buy and sell at auction by following the simple rules and doing a bit of homework.

## THE RULES OF THE GAME

**How to find it in London: what is sold where and when.**

To buy or sell at the best price, you need the best market-place. So first find the right auction. There are many in London, serving different needs It is a waste of time rolling up at a Christie's fine French furniture sale for a simple, workaday mirror—like dropping in to Asprey's for cheap 'n' cheerful earrings.

Christie's and Sotheby's specialise in the upper market, but not everything sells for a high price. In the 18th century James Christie sold carts of hay next to Louis XV commodes.



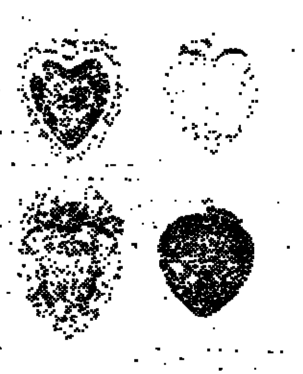
Swansea square 9½ ins dish sold for £180 at Sotheby's

1920s beaded black gauze dress, sold for £45 at Phillips

Today, items are divided up according to subject and value. Christie's holds porcelain sales on Monday's; prints, drawings and watercolours on Tuesdays; and so on. Sotheby's has a different timetable to avoid clashes, but both houses have their seasonal peaks in December, April and June, and hibernate through August. So a seller or buyer may have to wait for the most suitable sale.

In sales termed "important" or "fine," most lots reach a price of more than £500. Other sales, however, are a good source of quality goods at a reasonable price such as diamond engagement rings, Georgian mirrors, grandfather clocks, arts and crafts, silver or Georgian mahogany desks. A good, large carpet or a set of French chairs will probably cost considerably more than £500.

Both major houses have a second saleroom where the prices are generally lower. Objects are more variable in quality, subjects broader and the selling process much quicker. In Sotheby's Fast Sales on Wednesdays and Thursdays—paintings one week, works of art the next—nothing is expected to go for more than £1,000 and most lots fetch £100-£150. Christie's South Kensington holds 30 specialist sales per week, covering an enormous range, from wine and watercolours, silver and scientific instruments to postcards and textiles—even trains and planes.



Antique lockets: top left, pave split pearl £380; top right, diamond and rose diamond £110; bottom left, rose diamond, blue and white enamel £1,650; bottom right, blue enamel and split pearl £150; from Christie's South Kensington.

Phillips, off Bond Street, and Bonhams in Knightsbridge have a similar system but do not always receive the publicity they deserve. They could set a record price for you; but they usually have a larger choice of lower priced items than the Big Two. In addition to the mainstream of pictures and furniture, Phillips holds "collectors' sales," including furs, dolls and photographs, on Wednesdays. In their West 2 sale-room, Victorian and Edwardian goods and sometimes vintage cars go into Thursday sales, while at the Marylebone sale-room on Fridays, household sales in the mornings are followed by picture sales in the afternoon.

Bonhams, the only family London auctioneer left, holds fewer sales than Phillips: paintings every Thursday, silver fortnightly, furs monthly (October to March), ceramics bi-monthly. This winter it continues its successful series of theme sales, begun two years ago, focusing on children, rivers, the Smithfield Show, the Boat Show and Crufts. Bonhams Chelsea, the second saleroom, offers everything to furnish a home cheaply: furniture and carpets on Tuesdays; the rest every other Friday.

There are other, less well-known, auctioneers which, on the whole, have cheaper prices. Sales are of mixed quality and sometimes include house clearances. It is up to the buyer to choose between the good and the bad, the antique and the modern. There may be less expert help from the auction room staff. Harvey's holds a sale every Wednesday, Camden Auctions on alternate Thursdays, Lots Road Auctions on Monday evenings. Prices are from £2 to £5,000.

Some firms clear offices. Hollingsworths, for instance, acts for the Department of the Environment. Carpets, mahogany wall clocks and curtains as well as typewriters and office furniture come up in their sales on the first Tuesday of each month. Frank G. Bowen specialises in sales of bankrupt firms. Sales on alternate Thursdays may include shop mirrors, chopping boards and scales. Stock could be bathroom suites, furniture, jewellery, cars or reproduction oriental carpets. The catch is that stock is often sold by the half dozen or more, so you need to find friends with the same tastes.

Some auctioneers cater for the specialist: buy and sell coins and medals through Glendining (part of Phillips); stamps at Robson Lowe (part of Christie's).

### ADVERTISEMENTS FOR SALES

Most firms advertise in national newspapers, but the Daily Telegraph carries the best list every Monday. The most comprehensive list of sales in London and the whole of Britain is The Antiques Trade Gazette (30p). It is a subscription-only paper but has two retail outlets in London: the kiosk outside Sotheby's and the head office, 116 Long Acre WC2. Glossy monthly magazines provide more extensive reading: The Antique Dealer and Collector's Guide (£1.25) and Antique Collector (£1.50). Single-subject journals cover dolls, watches and other fields.

### HOW TO FIND IT OUTSIDE LONDON

Find auctions in local paper advertisements. House sales are a great source of gardening tools and furniture, billiard tables and croquet sets, as well as kitchen utensils, linen, carry-cots and candlesticks.

To find the nearest auction house to you, consult your library's copy of D and K Leab's The Auction Companion (Macmillan, 1981, £9.95); The Guide to the Antique Shops in Great Britain 1984 (Antique Collectors' Club, Woodbridge, Suffolk, £6.95), which lists auctioneers and shops; or The British Art and Antiques Yearbook 1984 (just out, National Magazines, £6.50).

Scottish silver wine jug, 1868, sold for £400 at Bonhams

The big London houses have representatives throughout Britain. A 'phone call to the head office locates the nearest to you. Goods can be valued at home, then transported for sale. Some hold auctions outside London: Sotheby's at Chester and Pulborough; Christie's in Glasgow; Phillips at Edinburgh, Glasgow, Knowle, Leeds, Bath, Oxford, Exeter and Chester.

The London firms also go on forays into the countryside, known as "probes." They are held in town halls, on village greens and in country houses. Take along your treasures and not-so-treasures (paying a small entrance fee for charity) and a team of experts will identify and value them for free, in the hope of taking them for sale.

## CHOOSING AND BIDDING

View and attend a few sales before beginning to bid. Viewing is usually in office hours the day before the smaller sales but up to a week before major West End sales. A few firms offer evening and Saturday morning viewing (see Facts and Figures section) and most house sales have weekend viewing. Take along the necessary measurements such as wall sizes for mirrors, room dimensions for carpets, bookcases and beds. And take a tape measure and, for murky house sales, a torch.

Have a good look at the objects. Pick them up. Feel textures. Look underneath, behind and inside. Notice damage and repairs. And use the catalogue. A good catalogue describes the object and its condition clearly and gives an estimate of the expected price. Should a term, date or estimate be confusing, ask. There is no embarrassment about not knowing the difference between "signed" and "bears signature" or "circa" and "after." Giving help and advice to potential buyers and sellers is part of the auctioneer's job—you pay for it in their charges.

Catalogues cost between 50p for a basic list and £15 for detailed, scholarly descriptions, book reference and colour photographs. There is always a free reference copy available at the viewing. If the sale contains the sort of thing you want to buy, it is worth buying a catalogue and noting the prices for future reference. Most firms run a subscription service which avoids you missing sales. Select the category, pay the fee, and the catalogues drop through the letter-box for a year, with time for a good read before the sale. Viewing information is in the front of the catalogues. Price lists are sent out after the more valuable sales.

Before the sale, decide what you want to buy and how much you are prepared to pay for it. Remember to allow for the auction house's premium, which is subject to VAT. There are no other hidden charges, unless you need help with transport. Use the estimates as a guideline. They are based on previous selling prices for similar objects. If, for instance, the estimate is £150-£200, it would be over-optimistic to hope to buy it for £50. Around £170 provides a better chance, and you may get your piece for substantially less if no-one else bids.

Arrive at the sale in good time for your lot number. Auction speeds vary, from 50 to 100 lots per hour. When your lot comes up, the object will be held up or pointed at—be sure it is the right one! The auctioneer may start by asking for bids, then repeat bids as they are made. To join in the bidding, raise your hand firmly to catch the auctioneer's eye, flapping your catalogue if necessary. Far from the mythical wink, it can be quite difficult to enter the bidding, particularly if the sale is well-attended.

To stop bidding, lower your hand and if the auctioneer gives you a quizzical look, firmly shake your head. And do not let the euphoria of the sale tempt you beyond the figure decided upon in the cool of your sitting-room. Pay and collect at the end of the sale, or soon afterwards to avoid paying storage costs.

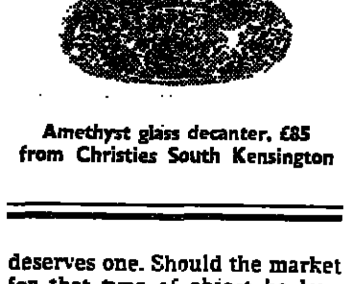
Sadly, most sales are held during the day, but this need not hamper your taking part. If you cannot attend the sale but want to bid, complete a bidding form and post it or leave it with the auctioneer, being absolutely sure to enter the correct sale title, date and lot number. Then enter the highest price you are prepared to pay. This is not a fixed price. If the bidding at the auction stops, you may get your piece for substantially less than your outside figure. Keep a note of your lot numbers and bids and telephone for results after the sale.

## HOW TO SET ABOUT SELLING

First, the homework in order to reap the best end results. Get the goods valued by more than one firm to compare service, opinions and prices. All valuations for auction are free. Take small and light objects to the auction houses. They can be left for a few days or seen immediately. Make appointments for the staff to come and look at furniture, carpets and other bulky things. Or send a clear photograph together with details of dimensions and significant information such as signature, stamp, colour and the history of the piece.

If an object is not worth the auctioneer's time, he will soon say so. If it is, he will explain what it is, give an idea of what it might fetch and suggest a reserve figure below which he believes it should not be sold. A reserve ensures that a piece of porcelain worth £300 is not sold for £30 just because no one turns up to the sale that day. An unsold item can be offered again at another sale. But beware: there may be charges for unsold lots.

There should also be advice on the most suitable sale and possibly the size of photograph in the catalogue, if the object deserves one. Should the market for that type of object be low, the auctioneer should advise waiting for it to improve



Amethyst glass decanter, £85 from Christies South Kensington

Choose the auction house which offers the best deal for you, taking into account the charges (see Facts section) and the time between the moment you agree to sell and the arrival of the cheque (between a week and several months). When you leave the goods for sale, there is a form to complete. Ensure the estimates and reserves are either entered on the form or have been agreed in writing. The reserve is usually just under the lower estimate figure. If it is much lower, then your goods are not well protected. And check what costs will be deducted from the hammer price: commission, insurance, illustration.

Unless it is a very fast operation, a catalogue arrives before the sale, together with note of your lots and th[e] reserves. Again, check they a[re] correct.

Then sit back and drea[m of] two bidders in hot competiti[on] for Aunt Ethel's huge, unco[m]fortable sofa, forcing the pr[ice] up ten times above the estima[te]. It really can happen. That's t[he] draw of the auction.

Finally, above is a sh[ort] list of names and addres[ses] of the London sale-roo[ms] listed in the order th[ey] are mentioned in the te[xt] together with a guideline [to] their charges for buye[r's] premium and seller's comm[is]sion and their Saturday tim[es] and late viewing days.

Buyer's premium is subject [to] VAT. Exceptions are fu[rs,] coins, medals, stamps and wi[ne] which often have no buye[r's] premium but a higher selle[r's] commission. All facts should [be] checked for changes. Region[al] sale-room rates may vary.

Dessert plate designed by Ernes[t] Proctor, 1933, sold for £70 for a set of 11 at Christie's, South Ke[nsington]

## FACTS AND FIGURES

**CHRISTIE'S:** 8 King Street, St James's, SW1 (01-839 9060). Premium 8 per cent; commission 10 per cent (12½ per cent for lots sold under £1,000).

**CHRISTIE'S SOUTH KENSINGTON:** 85 Old Brompton Road, SW7 (01-581 2231). No premium; commission 15 per cent plus £1 per lot. Late view Monday.

**SOTHEBY'S:** 34-35 New Bond Street, W1 and opposite at Bloomfield Place, W1 (01-493 8080). Premium 10 per cent; commission 10 per cent (15 per cent for lots under £500).

**SOTHEBY'S FAST SALES:** 26 Conduit Street, W1 (01-493 8080). Premium 10 per cent; commission 10 per cent. Late view Monday.

**PHILLIPS:** Blenstock House, 7 Blenheim Street, New Bond Street, W1 (01-629 6602). Premium 10 per cent; commission 10 per cent (12½ per cent for lots sold under £500); minimum charge £5 per lot. Saturday viewing 8.30 am-noon.

**PHILLIPS WEST 2:** 10 Salem Road, W2 (01-221 5303). Charges as per Phillips. Late view Wednesday.

**PHILLIPS MARYLEBONE:** Hayes Place, Lisson Grove, NW1 (01-723 2647). Charges as per Phillips.

**BONHAMS:** Montpelier Galleries, Montpelier Street, Knightsbridge, SW7 (01-584 9161/589 4577). Premium 10 per cent; commission 10 per cent (12 per cent for lots sold u[nder] £500). Minimum charge £5 [per] lot sold. Late view Tue[sday] (furs on Monday).

**BONHAMS CHELSEA:** 65 [...] Road, SW10 (01-584 91[...]). Charges as per Bonhams, ex[cept] bric-a-brac sales, minim[um] charge £3.50. Late v[iew] Monday.

**HARVEY'S:** 14-18 Neal Str[eet], WC2 (01-240 1464). Prem[ium] 10 per cent; commission 10 [per] cent.

**CAMDEN AUCTIONS:** [...] Sale Rooms, Hoppers R[oad], N21 (01-886 1550). Premiu[m ...] per cent (incl VAT); com[mis]sion 10 per cent. Late v[iew] Wednesday.

**LOTS ROAD GALLERIES:** Lots Road, Chelsea, SW10 [...] 352 2349/9692). Premium [...] per cent; commission 15 [per] cent. Late view Monday.

**HOLLINGSWORTHS:** 56 W[...] comb Street, WC2 (01-839 18[...]). No premium; no private sell[ers].

**FRANK G. BOWEN:** 15 Gr[...] Street, W1 (01-437 3244). [No] premium; commission 15 [per] cent. Sales held at In[...] Pavilion, Wembley Exhibi[tion] Ground, Middlesex.

**GLENDINING** (coins): 7 B[len]heim Street, New Bond Str[eet], W1 (01-493 2445). No premi[um]; commission 10 per cent. E[...] morning view by appointm[ent].

**ROBSON LOWE** (stamps): [...] King Street, St James's, S[W1] (01-839 4034). Premium 8 [per] cent; commission 10 per c[ent] (12½ per cent for lots s[old] under £200).

## Free FT Buffet Booklet

So enthusiastic was your response to our free Buffet Booklet that we have had to reprint it —consequently we regret that there may be some short delay in readers receiving their copies, The booklet which contains some nine recipes catering for 15 up to 30 people, is written by our cookery writer Julie Hamilton, and is available from Catherine Ineson, Publicity Department, Financial Times, 10 Cannon Street, London EC4. If any more readers would like a copy, please send a stamped addressed envelope, size 9 ins by 5 ins, to the above address. Mark the envelope "Buffet Booklet."

# Pick of the plums

## Michael Coveney's guide to the Christmas shows

Danny La Rue in "Hello Dolly!"

ompiling a list of seasonal ..s is rather like rummaging ..nd in that untidy cupboard the Christmas decorations. ..ything is much the same as ..as last year. One or two of Christmas tree baubles .. suffered minor injuries are in need of substitution. .. fairy's wand has been bent will survive delicate sur-.. These cheap coloured ..ts from Taiwan via Wool-..ths will, miraculously, serve .. fifth successive year. And .. festive garlands, gaudily ..mmering symbols of the ..tic age, are happily released .. crumpled hibernation.

..he popular theatre comes its own at panto time as TV ..onalities tread the boards slay the hordes. North-..erners game for a laugh probably find Matthew .. (for years an accom-..hed comic stage actor) a ..t acceptable Buttons at the ..ce, Manchester, where ..erella opens on December .. The cast also includes ..aine Chase and Bill Owen. .. literate Mancunians may ..le for the Royal Exchange's .. Dick (opening Dec 22) .. Brian Cox as Captain ..b.

..evotees — I am assured ..e are some — of Little and ..ge on TV can see this pale ..dow of Laurel and Hardy in .. Whittington (Dec 23) at Theatre Royal, Nottingham. .. of the most beautiful ..ues in the country. The ..ularly unfunny Bernie ..ton — the fellow who walks ..nd as a duck or something ..s also on the bill. Another ..or regional panto, at the ..rpool Empire, Aladdin (Dec ..) is hosted by Tom O'Connor. ..ould be worse. It might ..e been Des.

..he greatest dame of them Stanley Baxter, has already ..ned in Mother Goose at the ..'s Theatre, Glasgow. The ..nburgh Lyceum is offering a .. compilation show by Benny ..ier, Regards to Broadway ..ecember 17), which traces .. history of the American ..sical from vaudeville to ..ndheim. At least there will ..good songs galore from a ..t led by Sheila O'Neill and ..retiring artistic director Les-Lawton.

..he country's biggest produc-.. management, Triumph ..olio, has three big regional ..ws: Babes in the Wood at Theatre Royal, Plymouth ..cember 24) starring Ber-..d Bresslaw, Terry Scott and ..rman Vaughan; Mother ..ose at the Alexandra, Bir-..ngham (December 23) with ..n Inman, Bill Maynard and ..ar Maughan; and last year's ..w Richmond Theatre presen-..ion of Cinderella at the Bris-.. Hippodrome (December 24) ..turing Lionel Blair, Victor ..inetti and Anna Neagle, with costumes by the Emanuels.

The thrust stage of the Chichester Festival Theatre is less than ideal for panto, but the problems are usually tackled with elan. Extra precautions are taken this year by casting the irrepressibly effervescent Barbara Windsor in *Aladdin* (December 16). The house of Windsor is also occupied by Christopher Timothy, Reg Dixon and, always a suavely reliable baddie, Aubrey Woods. For the benefit of the first generation of Blue Peter enthusiasts, John Noakes and Peter Purves are reunited alongside Lance Percival in *Robinson Crusoe* at the Yvonne Arnaud, Guildford (December 14).

*Jack and the Beanstalk* has already opened at the Oldham Coliseum and other attractive items in the subsidised regional theatre include a new *Treasure Island* at the Sheffield Crucible (December 16), the National Theatre's marvellous *Hiawatha* at the Newcastle Playhouse, *The Wind in the Willows* at the Chester Gateway (December 16) and Ian Lavender and Helen Shapiro walking back to happiness in *Dick Whittington* at the Wyvern, Swindon (December 21).

One to watch out for is *The Pied Piper of Hamelin* at the New Theatre, Hull (December 17), starring Vince Hill and Norman Collier. Last year's Hull show was *Snow White and the Seven Dwarfs* and that production comes to London this year, opening at the Phoenix on December 14. Dana is Snow White and the dwarfs are real. They have all signed short-term contracts.

*Snow White* has not been seen on the London stage since this version was commissioned for Moss Empires in 1938. Another rarity in London will be Humperdinck's *Hansel and Gretel* at the Bloomsbury (December 15) in a new translation by John Hope Mason, with the incomparable Sheila Steafel as the witch. Danny La Rue will take the lead in *Hello, Dolly!* at the Prince of Wales in a Birmingham Rep production that, quite scandalously, will not be reviewed in the national Press until after Christmas. The show opened in Birmingham last month and the taxpayer, who subsidises the Rep, will have no report on his investment until Mr La Rue and his management have reaped the considerable rewards of uninformed public curiosity at the box office.

The only large-scale pantomime in London's West End this year is *Aladdin* at the Shaftesbury (December 16) A curiously stellar cast finds room for Lynsey de Paul *and* Edmund Hockridge, for Roy Kinnear *and* Tommy Trinder, for Derek Griffiths *and* Derek Royle, for Jill Gascoigne *and* Doreen Wells. Wayne Sleep brings a *Dash of Christmas* to the Dominion (December 21), Ron Moody returns as Fagin in *Oliver!* at the Aldwych (December 20), and *Toad of Toad Hall* is at the Westminster (December 14).

Perhaps the most intriguing of all the London shows is *Abbacadabra* at the Lyric, Hammersmith (December 13). Purporting to mix elements of fairytale with the hardware of the video culture, David Wood's book has been modelled around the songs of ABBA. A tantalising cast list includes Elaine Paige, B. A. Robertson, Finola Hughes and Phil Daniels. More predictable will be *Hi-De-Hi* at the Victoria Palace (December 22), the TV cast joined on this occasion by Ben Warriss. Still, Jimmy Perry and David Croft are two of the best writers in Britain and they have here an opportunity to give a whole new twist to the phrase holiday camp.

The pick of the crop in the London suburbs includes Ken Dodd in *Sinbad the Sailor* at the Wimbledon Theatre (December 17), not seen in London since 1907 *(Sinbad* that is, not Doddie). Roy Hudd and June Whitfield in *Dick Whittington* at the Richmond Theatre (December 22), Norman Rossington in *Mother Goose* at the Shaw (December 12), and Basil Brush and Chris Tarrant in *Babes in the Wood* at the Beck Theatre, Hayes (December 15).

Finally, the theatre in which I would most like to spend the holiday season is the magnificently bombastic neo-Gothic 1878 Grand in Leeds. Opera North's Christmas season opens December 21 with a new production by Andrei Serban, sung in Italian, of *Il trovatore*. It plays in repertoire until January 21 with a new production of *Die Fledermaus*

Nigel Andrews, in the first of two articles, warns against over reaction

# Video nasties—or video Nazis

It's a truism of history—from the Spanish Inquisition to the Suez Invasion—that the worst possible movements can start from the best or sincerest of motives. The claim of today's "video nasty" campaigners that they are seeking to protect the innocent from visual atrocities is all the more persuasive because it's doubtful that more than a minority of the population (despite tales of natonwide birthday parties for six-year-olds) have actually *seen* the evidence. All that Mr and Mrs General Public can weigh is other people's opinions: with the result that there is little scope for dissent against the prevailing negative judgment (in the Press or the Commons) concerning these videos.

What is more alarming and surprising still today is that there is little dissent about the practice and principle of censorship itself. Censorship—especially the kind that bans and prescribes works of art *in toto*—is the product of fear and the prelude to control in a society. The opponents of censorship are not, though they're often painted as such, either lip-licking sadists or loony liberals. They're people who believe that only in exceptional circumstances—as a war or a state of emergency—should one set of adults be allowed to sit in judgment over what another set of adults can see.

There are strong and reasonable arguments for protecting children; but that responsibility should belong to parents and guardians, using their own knowledge of the children concerned, and not to a centralised bureaucratic body wielding the blind scissors of general decree.

There are some remarkable details of the current anti-"nasty" campaign which have received, amid the general fulminations of the Daily Mail *et al*, scarcely any coverage at all. First of all, it should be common knowledge, though it is not, that the "evidence" shown to MPs in the Commons, and since then in Strasbourg and the Lords, consists not of a wide and representative cross-section of movies shown entire, but of one 20-minute compilation film containing gory segments from six offending "nasties."

It is extraordinary that MPs, who complain more vociferously than any other group in the community when they are quoted "out of context," can allow context to be thrown to the winds so thoroughly as this. If you gave me a pair of scissors, I could readily go through Alfred Hitchcock's oeuvre and blacken his name by compiling 20 minutes of highly gruesome *grand guignol*. And 20 minutes of gory foul play from Shakespeare's work, encompassing blindings and limb-loppings, would be even easier.

Another unflattering aspect of the campaign against the "nasties" (itself a depressingly infantil word, being both petulant and imprecise) that has passed almost unnoticed is the indiscriminate and often incomprehensible way in which videos are now being confiscated or impounded. Several of the most notorious "video nasties" have already been widely seen in the cinemas under a fully-fledged censor's certificate (eg, *The Evil Dead* and *Zombie Flesh Eaters*). And a video company owner told me recently that titles raided from his shops over recent months have included such high-profile theatrically-shown movies as *Midnight Express*, *Fritz The Cat* and (Heaven help us) *An Unmarried Woman*.

It's ironic—to say no more—that a Conservative government that never ceases to remind us (quite rightly) of the heritage of Western freedom, not to mention the virtues of *laissez-faire* capitalism, should be seen to encourage this conspicuous denial of both.

No one, to my knowledge, has yet been so exasperated—though the day cannot be far off—as to counter the cavalier smear phrase "video nasties" with the collective honorific "video Nazis" for their hunters and suppressors. We have not yet gone so far as to touch off the kind of totalitarian alarm-wires triggered by Hitler's burning of the books. But the following three points about censorship must be made while it's still possible to make them. (And that's not a gratuitously Doomsday phrase. My colleague Alexander Walker recently had an anti-censorship article removed entire from a late edition of the Standard.)

● It is not enough to use the complaint of squeamishness and revulsion, which was the response most widely articulated at Westminster, to cause a film or video to be banned. To give only one example: many people, myself included, feel extremely queasy when a surgical operation hoves into view on the television. But none of us, I think, would call for the banning of operations *or* of people's rights to see and know what happens during them.

● It is dangerous and misleading to suggest that the sight of violence can only deprave, corrupt or desensitise. Few people would dispute that one of the reasons the Vietnam War ended as soon as it did is because of the American people's ability to *see* what was happening at war, in daily TV news bulletins of unprecedented immediacy, and from that to create the protest movement that helped pressure an end to the war. It is one of the most remarkable examples of a nation's mass "sensitisation" in political history.

● The refusal to watch or allow to be watched "actuality footage" of animal slaughter—in farms or abattoirs—represents the turning of a moral blind eye to the processes most of us endorse every time we pick up a piece of meat and put it in our mouths. Here, what the pro-censorship attitude says is: it is not obscene to have animals killed, but it *is* obscene to watch animals being killed. The Wise Monkey, it seems, is alive and well and living in Britain.

There are many people who believe that the "video nasty" campaign will do everyone a favour by merely sweeping away a lot of blood-drenched dross from the video shelves. (And I'm the first to agree that much of it is dross). But a powerful proscriptive machinery, once set in motion, can become alarmingly indiscriminate.

The ubiquitous Mrs Whitehouse, whose energies I admire if not her views, has now picked on the nuclear holocaust *verité*-style movie *The Day After*, pronouncing it obscene although when last heard from she hadn't seen it. In the age we live in, it is neither ghoulish nor unreasonable, let alone obscene, to be curious about the effects of nuclear war and to see a (by all accounts responsible) depiction of them. Far more ghoulish would be a media moratorium on all information about the major issue and phenomenon of our times.

Surely that bleak four-digit figure "1984"—only a handful of shopping days away—evokes, not a society where vicarious violence is on sale in the shops but a society where violence, much more unnervingly, is concealed and surveillant in the recesses of the state.

# Getting the message

## RADIO

B. A. YOUNG

A series called *Medium and Message* has started off very well. In the first programme (Radio 3 on Tuesday of last week), a variety of communicators examined the coverage of the election. The general opinion was that the election was a dull one ("where were the issues?") and that the coverage was dull to match. A contrary opinion was that the issues emerged clearly from the "non-stop interviews." Harold Evans (who began on the right foot by saying that in the tragic absence of the Financial Times the economy was "abysmally reported") put the interviews in their place, "the half-ignorant questioning the half-articulate," a judgment that Sir Robin Day didn't challenge on the spot but must have done later. He would clearly have liked more interviews, for his last intervention called for the representation of more, indeed all, varieties of politics.

The second programme, last Tuesday, dealt with the standard of news and news-gathering in the junk press. *Mrs Sutcliffe, the Ripper's wife*, was the centre of a good deal of attention, for the shifts made by editors to extract her story were, in retrospect, more unattractive than anything in recent journalism. "In retrospect"? Sir David English of the Daily Mail, who was responsible for what he called an "elaborate charade" in offering her a contract, admitted: "We could have handled it better." But he admitted frankly that he would do it again (only better, I suppose). The case for decent, responsible journalism was made by Charles Wintour, whose editing of the Evening Standard seems, in retrospect, almost too good to be true. But the case for junk journalism was simply made by Stuart Steven, recalling an old News of the World advertising phrase. "Well, it's human behaviour, isn't it," he said. "It's the price we pay for a free Press."

The debate was ably conducted by Ian Hargreaves of this paper. We have had a good week, in fact. Somewhere about half past seven in the morning on Breakfast Television on Tuesday, Frank Bough went out of his way to praise our coverage of the NGA dispute.

While I'm catching up on last week, a word for Radio 4's Monday Play on November 21. Monday Plays are to my mind generally the best of the bunch, and James Brabazon's *Ducks and Drakes* was an unusually interesting and sensitively-written piece. Oddly enough, just before I heard it, someone mentioned *Penthesilea* on *Start the Week*, and here was a Penthesilea of our time, a divorced woman, with no desire for remarriage, who had a short affair with a man who had picked her up and chucked him when he had given her what she wanted, which was bed. Her attitude was emphasised by comparing it with the life of her homosexual solicitor, who took his fun where he found it. "Marriage is a licence for exploitation," concluded this woman, excellently played by Susan Fleetwood. "If I'm free, I'm free to grant the licence."

Hour-long documentaries from ILR stations are a comparative rarity. BRMB (of Birmingham) gave us an interesting account on Tuesday of the explosion of 14,000 tons of high explosive in a Staffordshire gypsum-mine during the war.

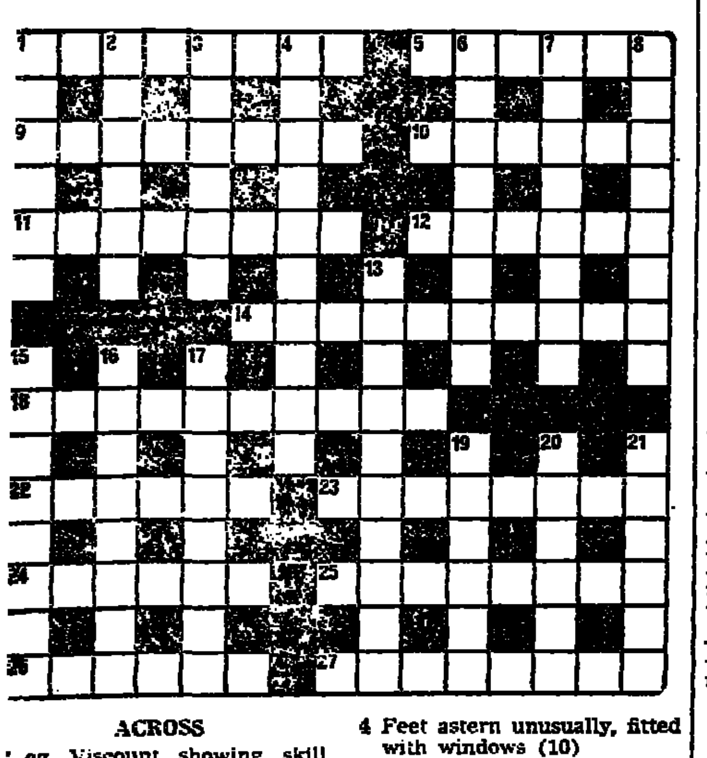


## F.T. CROSSWORD PUZZLE No. 5,284

*A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.*

Name ..........

Address ..........



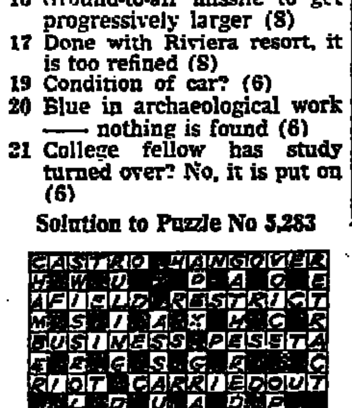
### ACROSS

1 eg Viscount showing skill with tune (8)
5 Perfume-bag for a chest disorder (6)
9 Tea with best china is delightful (8)
10 Chum married when retired—it brings a lump to the throat! (6)
11 Take a part from small car in ruin (8)
12 Long danse macabre of French Mediterranean area (6)
14 English Bond type, reliable fellow with a bird? (10)
18 Pub welcome —— what is new in that? (10)
22 Noted direction of the church-bound military? (6)
23 He takes the lead in "The Merchant of Venice" (8)
24 These days, money-changing is very slow in bars (6)
25 I do Latin translation and enlargement (8)
26 Great wave called for at Lord's? (6)
27 Radio-set adapted for space-traveller (8)

### DOWN

1 Shoppers row when a cedar is destroyed (6)
2 Kingdoms are changing the old line (6)
3 eg caravanner —— ordinary type at the end of May (6)
4 Feet astern unusually, fitted with windows (10)
6 Liable? So be it, bale out! (8)
7 Times of away games? (8)
8 Norman-held record of win in England —— that's the stuff! (8)
13 Function of tumblers on bars? (10)
15 Reptile that is around no longer (8)
16 Ground-to-air missile to get progressively larger (8)
17 Done with Riviera resort, it is too refined (8)
19 Condition of car? (6)
20 Blue in archaeological work —— nothing is found (6)
21 College fellow has study turned over? No, it is put on (6)

Solution to Puzzle No 5,283

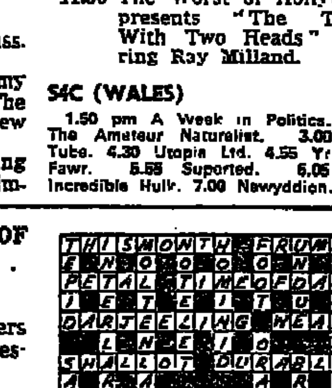


SOLUTION AND WINNERS OF PUZZLE No. 5,273

Mrs. R. Scott, 10 Grey Towers Drive, Nunthorpe, Middlesbrough.

Mr. Philip S. Platt, 223 London Road, Warrington, Cheshire.

Mr. John Vallintine, 36 Wendover Court, Chiltern Street, London, W1.



† Indicates programme in black and white

## BBC 1

8.35 am Inch High Private Eye. 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.40 News: Football Focus (12.20): Swimming (12.45, 3.00) from Leeds: Racing from Chepstow (12.55, 1.25, 1.55); Boxing from Reno, Nevada—U.S.A. v Britain and the Commonwealth (1.10, 1.40); Snooker (2.10, 3.20, 3.50); United Kingdom Championship from Preston; Cyclo-Cross (2.40) The Halfords Nations Cup; Ski-ing (4.30) a profile of downhill ski-ing champion Franz Klammer; Final Score (4.40).
5.05 News.
5.15 Regional Variations.
5.20 Some Mothers Do 'Ave 'Em.
5.50 The Noel Edmonds Late Late Breakfast Show.
6.35 Blankety Blank.
7.10 Juliet Bravo.
8.00 The Paul Daniels Magic Show.
8.40 Bergerac.
9.35 News and Sport
9.50 Snooker (Coral UK Championship).
10.15 Match of the Day.
10.55 Carrott's Lib.
11.35 Snooker (Further coverage).

REGIONAL VARIATIONS: Wales—5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.15-10.55 Sportscene.

Northern Ireland—4.55-5.05 pm Northern Ireland Results (opt-out from Grandstand). 5.15-5.20 Northern Ireland News. 12.55 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—*Sport*: South-West *(Plymouth)*—Spotlight Sport; Other English regions—Sport/Regional News.

## BBC 2

10.10-11.25 am Open University.
†2.15 pm Saturday Cinema: (1) "Hue and Cry" starring Alistair Sim, and Jack Warner.
3.35 Play Away.
†4.00 Saturday Cinema: (2) "Mandy" starring Jack Hawkins and Phyllis Calvert.
5.30 Whistle Test—On the Road.
6.10 Greek — Language and People.
6.35 Grand Slam.
7.00 News and Sport.
7.20 Zubin Mehta Masterclass.
8.10 Fly on the Wall.
8.40 International Emmy Awards Gala from The Sheraton Centre, New York.
9.35 Elmer Gantry starring Burt Lancaster, Jean Simmons.
11.58 News Headlines.
†12.00-12.55 am The twilight zone double bill: "The Purple Testament" starring William Reynolds and "Elegy" starring Cecil Kellaway.

## LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Pick Up Your Feet. 10.00 Champion Children of the Year 1983. 10.30 The Saturday Show.
12.15 pm World of Sport; 12.20 Indoor Speedway from Wembley Arena; 12.35 Ski-ing—the World Cup Preview; 12.45 News; 12.50 On the Ball: 1.20 The ITV Six from Sandown and Newcastle (introduced by Brough Scott and Derek Thompson); 3.00 Boxing—The British Lightweight Championship—George Feeney (Hartlepool, holder) v Tony Willis (Liverpool); 3.45 Half-time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 CHiPS.
6.00 3-2-1.
7.00 Cannon and Ball.
7.45 Punchlines.
8.15 Hart to Hart.
9.15 News and Sport.
9.30 "High Plains Drifter," starring Clint Eastwood.
11.30 London News Headlines, followed by The Stanley Baxter Series.
12.00 After Midnight presented by Janet Street-Porter with Hunter Davies, Auberon Waugh and John Sessions.
12.40 am Lene Lovich followed by Night Thoughts with Sister Aloysius.

## CHANNEL 4

2.00 pm A Kind of Living
†2.25 "Red Dust" starring Clark Gable, Jean Harlow and Mary Astor.
4.00 The Railrodder.
4.25 Country Boy.
4.35 Chicago Teddy Bears.
5.05 Brookside.
6.00 How We Learned to Ski.
6.35 News Headlines followed by Flashback.
7.05 Seven Days.
7.30 Union World.
8.00 Fragile Earth.
9.00 The Avengers.
10.00 Fox.
11.00 Interference.
11.30 The Worst of Hollywood presents "The Thing With Two Heads" starring Ray Milland.

### S4C (WALES)

1.50 pm A Week in Politics. 2.30 The Amateur Naturalist. 3.00 The Tube. 4.30 Utopia Ltd. 4.55 Yr Awr Fawr. 5.55 Suported. 6.05 The Incredible Hulk. 7.00 Newyddion. 7.15 Sion a Sidan. 8.10 Arolwg 8.40 Rockers Roadshow. 9.25 Y Maes Chwarae. 10.40 Glenn Gould plays Bach. 11.40 Worst of Hollywood: "They Saved Hitler's Brain."

## REGIONS

IBA Regions as London except at the following times:—

**ANGLIA**
9.30 am Vicky the Viking. 5.05 pm Knight Rider. 11.20 Star Parade. 12.20 am At the End of the Day.

**BORDER**
9.25 am Cartoon Time. 9.40 Tarzan. 5.05 pm Knight Rider. 11.30 Journey to the Unknown.

**CENTRAL**
9.25 am The Wonderful World of Professor Kitzel. 9.30 The Green Hornet. 9.55 Wattoo, Wattoo. 10.00 Terrahawks. 5.05 pm Knight Rider. 11.20 Kolchak: The Night Stalker.

**CHANNEL**
9.25-11.00 am Saturday Space-Stingray, followed by Space 1999 and by Puffin's Space. 5.05 pm Puffin's Pla(i)ce. 5.10 Knight Rider. 11.20 The Stranglers.

**GRAMPIAN**
9.35 am The Adventures of Gulliver 5.05 pm Knight Rider 11.20 Johnny Mathis in Concert. 12.20 am Reflections.

**GRANADA**
9.25 am Sesame Street. 5.05 pm Knight Rider. 11.20 Hawaii Five-O. 12.15 am Dr John & Chris Barber in Concert.

**HTV**
9.30 am Joe 90 12.13 pm HTV News. 5.05 Knight Rider. 11.20 Rugby: Newport v Bristol 12.05 am That's Hollywood — Hollywood Salutes Irving Berlin.

**SCOTTISH**
9.25 am Storytime. 9.35 Stingray. 5.05 pm Knight Rider. 11.20 Curling. 12.00 Late Call. 12.05 am House Calls.

**TSW**
9.25 am Dick Tracy. 9.30 Freeze Frame. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Champion Children of the Year. 11.00 Little House on the Prairie. 11.45 The Pruitts of Southampton. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Knight Rider. 11.20 The Stranglers. 12.20 am Postscript.

**TVS**
9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Mork and Mindy. 12.12 pm TVS Weather. 5.05 Diff'rent Strokes. 5.35 DJ. 11.20 The Roots of Rock 'N' Roll. 12.20 am Showcase. 12.35 Company.

**TYNE TEES**
9.25 am Morning Glory. 9.30 Gather Your Dreams. 10.00 TT Time. 10.05 The Adventures of Gulliver. 12.13 pm North East News. 5.05 North East News. 5.10 Knight Rider. 11.20 Rock Around Midnight. 1.10 am Post's Corner.

**ULSTER**
9.25 am Space 1999. 10.20 Cartoon Time. 12.48 pm Lunchtime News. 4.55 Ulster Sports Results. 5.08 Ulster News. 5.10 Knigh Rider. 9.29 Ulster Weather. 11.20 Star Parade. 12.15 am News at Bedtime.

**YORKSHIRE**
9.25 am Regional Weather Forecast followed by Melotoons. 9.35 Metal Mickey. 10.00 University Challenge. 5.05 pm Knight Rider. 11.20 City of Angels. 12.15 am Late Night Drama.

**RADIO 1**
(S) Stereo Broadcast
8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm My Top 12 (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S) with Richard Skinner. 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

**RADIO 2**
7.30 am David Jacobs (S). 8.02 Racing Bulletin. 8.30 Sounds of the 60s (S). 10.30 Album Time (S). 11.02 Sports Desk. 11.30 This Kenny Everett Show ... (S). 1.00 pm The Gumblewoods. 1.20 Sport on 2: Racing from Sandown Park (2.0, 2.30, 4.55); Snooker (2.10, 3.02, 4.55) Reports from Preston on the Coral UK Championship: Football coverage, incl. from 3.55, second half commentary; 5.0 Sports Report, including 5.0, 5.50 Classified football results; pool news. 6.00 Country Greats in Concert featuring Boxcar Willie. 7.00 Beat the Record. 7.30 Gala Concert (S) recorded at the Spa Grand Hotel, Scarborough (8.20-8.40 Interval. Tony Barnfield meets tonight's local personalities). 9.30 Big Band Special (S). 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Steve Jones's Late Show (S). 2.00-5.00 am Liz Allen presents You and the Night and the Music (S).

**RADIO 3**
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.25 Scottish National Orchestra concert, part 1: Haydn, Liszt (S) (12.15 pm Interval Reading). 12.20 Part 2: Debussy, Roussel. 1.00 News. 1.05 Hohenems Schubertiade: recital by Dietrich Fischer-Dieskau (S). 1.50 Ernest Ansermet. 3.10 Lekeu and Debussy violin and piano recital (S). 4.00 The Art of Ricardo Vines (profile on records of the Spanish pianist). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum 6.35 English Organ Music (S). 7.05 BBC Welsh Symphony Orchestra Tour of Canada. Concert recorded in Hamilton on October 31 Part 1: Daniel Jones Tchaikovsky (S). 7.35 The Saint, (short story by V. S. Pritchett). 8.10 BBC Welsh S.O. Part 2: Schubert (S) 9.05 Interpretations on Record. Brahms—Variations on the St. Anthony Choale (S) 10.00 Another World (S). 11.00 The Complete Webern (S). 11.05-11.18 News.

**RADIO 4**
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's A Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News: Money Box. 12.27 pm The First Half Century (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? from Cambridge. 1.55 Shipping Forecast. 2.00 News. 2.05 Afternoon Theatre (S). 3.00 Medicine Now. 3.30 Worlds of Faith (S). 4.00 News: International Assignment. 4.30 Does He Take Sugar? 5.00 Wildlife. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop The Week with Robert Robinson (S). 7.45 Baker's Dozen with Richard Baker (S). 8.30 Saturday-Night Theatre: "Rope" by Patrick Hamilton (S). 9.45 The English House. 9.58 Weather. 10.00 News. 10.15 The Hireling. 11.00 Lighten Our Darkness 11.15 A Soun of Goons. 12.00 News.

**BBC RADIO LONDON**
7.32 am Good Fishing. 8.04 London Today. 9.03 Inside London. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-5.00 am Join Radio 2.

## CHESS SOLUTIONS

**Solution to Position No. 492**

1 K-B8! P-QN4 (if B-K5; 2 K-N8); 2 K-Q7, B-B4 ch; 3 K-Q6, P-N5; 4 K-K5! B-B1; 5 K-Q4, P-N6; 6 K-B3, B-K3; 7 P-B8=Q, BxP; 8 KxP draws.

All other moves lose, eg 1 K-K8? K-K5; 2 P-B8=Q, B-B4 ch or 1 K-Q6? B-B4; 2 K-B5, B-B1; 3 K-N6, K-K5; 4 K-R7, P-QN4 and the pawn queens.

**Solution to Problem No. 492**

1 R-R6. If 1 . . . KxN; 2 B-Q4, or if K-Q3; 2 B-B4, or if K-Q1; 2 B-N6, or if K-B1; 2 B-R6, or if N moves; 2 Q-K8.

## BASE LENDING RATES

| | |
|---|---|
| A.B.N. Bank | 9 % |
| Allied Irish Bank | 9 % |
| Amro Bank | 9 % |
| Henry Ansbacher | 9 % |
| Arbuthnot Latham | 9 % |
| Armco Trust Ltd. | 9 % |
| Associates Cap. Corp. | 9½% |
| Banco de Bilbao | 9 % |
| Bank Hapoalim BM | 9 % |
| BCCI | 9 % |
| Bank of Ireland | 9 % |
| Bank Leumi (UK) plc | 9 % |
| Bank of Cyprus | 9 % |
| Bank of Scotland | Ω9 % |
| Banque Belge Ltd. | 9 % |
| Banque du Rhone | 10 % |
| Barclays Bank | 9 % |
| Beneficial Trust Ltd. | 10 % |
| Bremar Holdings Ltd. | 9 % |
| Brit. Bank of Mid. East | 9 % |
| ■ Brown Shipley | 9 % |
| CL Bank Nederland | 9 % |
| Canada Perm't Trust | 10 % |
| Castle Court Trust Ltd. | 9½% |
| Cayzer Ltd. | 9 % |
| Cedar Holdings | 9 % |
| ■ Charterhouse Japhet | 9 % |
| Choulartons | 10½% |
| Citibank Savings | ¶10½% |
| Clydesdale Bank | 9 % |
| C. E. Coates | 9½% |
| Comm. Bk. of N. East | 9 % |
| Consolidated Credits | 9 % |
| Co-operative Bank | * 9 % |
| The Cyprus Popular Bk. | 9 % |
| Dunbar & Co. Ltd. | 9 % |
| Duncan Lawrie | 9 % |
| E. T. Trust | 9½% |
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# The variable moods of Burgundy

BY EDMUND PENNING-ROWSELL

FOR AN outsider, the quality of each new Burgundy vintage is particularly difficult to evaluate; more so than in Bordeaux, though less than half the vineyard area.

But Burgundy is very spread out, from Chablis in the north to Beaujolais in the south, with consequent variations in the levels of quantity and quality. Moreover to a great extent the wine is produced by small proprietors and peasant growers.

The world-famous Hospices de Beaune owns no more than 57 hectares (141 acres), while Bouchard Père et Fils are giants with less than 90 hectares, the size of a single large estate in the Médoc. So the wines are mostly made in relatively small individual lots.

Accordingly opinions and forecasts vary. Just before the Hospices de Beaune auction in mid-November, the trade body issues an official appreciation of the new vintage, but this cannot be taken too seriously as it tends to be more promotional than precise.

For example, the "jury" declared the miserable 1977 vintage to be "among the good vintages," with the whites, already distinguished by the richness and length of their aroma" and the reds "harmonious, aromatic and well based."

Not surprisingly, therefore, this report meets with a certain cynicism over the celebrated auction week-end, which in effect opens the season for the new vintage: although, as has happened this year, deals may already have taken place earlier, particularly for the sought-after white wines, whose vineyard area is only a quarter of the Côte d'Or one.

In fact it was a difficult year there, though not in Chablis, where a good, very large crop was produced, and a normal one in Beaujolais: particularly big and fruity, and one to look for, especially among the *cru* wines, such as Moulin a L'Vent, Juliénas, etc.

In the summer very severe, well-publicised hailstorms ravaged the very important communes of Chambolle-Musigny and Vosne-Romanée, including the Romanée-Conti estate, which initially was said to be 90 per cent destroyed. In fact the official permitted yield suggested that perhaps nearly a half-crop has emerged, as it did in the adjoining La Romanée, where five casks were made rather than the normal 12.

Much more serious, because more widespread, were the heavy rainstorms that swept through the region in the first two weeks of September, following a very warm summer. As in Bordeaux, the anti-rot chemicals that had seemed to have solved this vital problem for the first time failed to work: resistance had been built up to them.

But, as in Bordeaux, the exceptionally fine, hot weather saved the vintage, which began about the 18th in Beaujolais, the 22nd to 26th in the Côte d'Or and the 26th in Chablis. But whereas in the Gironde the extremely hot weather appears to have eliminated the rot, in Burgundy the dried-up grapes continued to affect the taste of the red wine. (Not, of course, the whites as the skins are taken off before the first pressing.)

In the better estates the growers took the trouble to go through their vineyards and remove the rotten bunches before the vintage began. The rot was most pronounced in the vineyards on the base of the hillside slopes and on the flat surfaces near the main road: the "village" wines and plain Bourgogne Rouge.

The more important estates, well up on the *côte*, suffered little from this rot, or so it was claimed by leading growers and merchants to whom I spoke.

Nevertheless there is a variability about the 1983 red burgundies that should not be overlooked when it comes to considering what to buy. Some of the "village" wines may be suspect, and although in principle the Côte de Nuits reds are usually superior to the Côte de Beaunes, this may be reversed this year. But apparently the Haute Côte vineyards of both districts were scarcely affected by rot.

The other problem of the 1980 reds is strong tannin. The heat reduced the amount of juice in the grapes and the skins became thick. Less wine was produced (the total Côte d'Or crop is estimated at 350,000 hl compared with 500,000 hl in last year's record quantity), but it is tougher.

It is agreed by all that the better red wines will be long-lived (some prophecies predict a life of 30 years or more), but will they have enough fruit to support the tannin? Some believe so, some not.

Broadly speaking, those who delayed picking their red wine grapes made the best wine, but it was the other way round with the whites. For owing to the hot vintage-time weather they tended towards an excess of alcohol. Both red and white burgundies are normally stronger than clarets and dry white bordeaux, and average 13 degrees or a little more.

But this year they were much higher. For example the Montrachet Baron-Thénard was 14.5 degrees and there were stories of 15 and even 16-degree white burgundies — California-strength wines.

Consequently those who picked earlier will have made the crisper, better balanced wines, but there is no doubt that 1983 is a good year for white burgundies, including Chablis.

As the results of the Hospices auction showed there is a big demand for fine white burgundies. Indeed the local merchants say they cannot get enough, and in advance of the sale there had already been something like a clean-out of good Meursaults, Pulignys, etc from the growers and all the excellent white 1982s have left the properties.

Although the Hospices red wines showed a general increase of 19 per cent on the previous year, the merchants freely admit they are more difficult to sell, partly, of course because they cannot be drunk so young and also because of the world demand for white wines.

In comparison the Hospices' white prices did not look so good, owing to a freak saleroom battle in 1982 for the ever-popular Corton Charlemagne François de Salins that went to FFr 120,000 a cask last year and only FFr 50,000 this time.

Otherwise, however, the white cuvée prices were well up. (Perhaps at the end of an exhausting, very noisy 5½-hour auction of a mere 87 lots, I may be a little excused for a slip of the pen in recording the total value of last year's wines: FFr 12,224,500, making this year's FFr 13,792 a record; on top of this were the eaux-de-vie).

Among the foreign buyers at the auction the most prominent were clearly the Swiss, followed by the Americans though principally for the white wines that they favour. A long way behind them were the Germans and the British — including Averys of Bristol, the Dorchester and Savoy hotels and the Wine Society.

Although Burgundy now has a general reputation for being very expensive, in real terms it is less dear than it was a few years ago, while classed-growth claret prices have risen relatively much more.

The average price paid per bottle this year for a 1983 Hospices de Beaune red wine works out at much the same as a leading second-growth 1982 claret (and surely the 1983s will not be higher still?).

No one pretends that these are anything but expensive, but there is no lack of demand for the infinitely greater amount available of the top bordeaux than for the wines or the Hospices or for the *grand* and *premier crus* of the Côte, d'Or.

## HIGH STREET WINES

ODDBINS, with 57 shops mostly in the south, but branches in Chester, Manchester and Liverpool, is probably the largest independent off-licence chain. Its range of over 400 wines, plus spirits, liqueurs, etc. is aimed at the intelligent wine drinker rather than the simple buyer-by-price.

At a recent tasting for wine-writers over 40 wines and some sherries were shown, and I liked the following:—

**Ch. La Rose du Pin, Bordeaux Blanc 1982 (£2.78).** Very clean fresh nose and light but fruity flavour, not too aggressive or sulphury as inexpensive white Bordeaux can be.

**Pinot Grigio, Catemario 1982 (£2.83).** This comes from Friuli where the best Pinot Grigios usually originate. Often rather negative in aroma and flavour, this one has a nice bouquet and though dry more flavour than some.

**Chablis 1er Cru Monté de Tonnerre 1981 (£6.10).** From the respected grower Louis Michel this is an excellent and typical fine chablis, but it is still very young and green: worth buying and putting away for a couple of years.

**Domaine de la Grange Rouge, Cabernet-Sauvignon 1979 (£2.38).** Big, strong southern French wine, with a very fine big aroma and strong flavour; a shade coarse perhaps but very good value.

**Coteaux de Tricastin, Domaine de la Viaille, 1979 (£2.15).** The cheapest but not the least attractive of eight Rhônes shown. Big strong, generous-flavoured red wine with lots of fruit. Good value.

**Gigondas, Paul Jaboulet Ainé 1979 (£5.45).** Gigondas is usually the biggest and more expensive of the Rhône village wines, and Jaboulet is one of the most reliable Rhône merchants. Lots of flavour and fruit, with much more character than the Tricastin. Should improve.

**Ch. La Nerte, Châteauneuf-du-Pape 1980 (£5.89).** The virtue of this wine is that it is less tough, more forward than most Châteauneufs, but is still a good mouthful of wine.

**Marques de Caceres, Reserva 1974 (£3.75).** Although still fairly light in colour, this has a slightly old nose and may be beginning to lose fruit, but still retaining the special character of a reserva Rioca from a good bodega.

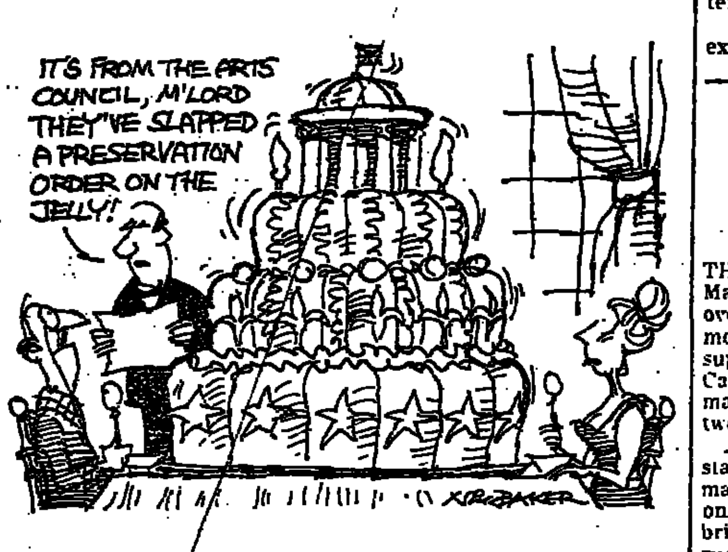
**Trittenheimer Altärchen Riesling Auslese, Hohe Domkirche, 1975 (£3.99).** Among nine dessert wines set out for my taste, this Mosel and the following Palatinate scooped the field. With a lovely aroma, and excellent balance of acidity and fruit, this is a real snip for Mosel-lovers. A delicious aperitif wine.





# British jellies as a fine art

BY JANET MARSH




JELLY MOULDS are much favoured by collectors of modest means, since investment can range from several hundred pounds for an important salt-glaze specimen of a Wedgwood double mould, down to a few pence for a humble twentieth-century example in enamel or glass.

I know people who have been collecting jelly moulds —whether casually or fanatically—for years; yet surprisingly Sally Kevill-Davies' monograph *Jelly Moulds* in the Lutterworth Press Antique Pocket Guides Series (£2.50 each), appears to be the first study of the subject.

It is really the last word too; there is perhaps not much to be said that is not contained in its 64 concise and well-illustrated pages.

Jellies have served a double function of delighting both the stomach and the eye as long as people have given banquets, yet the earliest surviving jelly moulds only date from the first half of the 18th century, when the new middle class was discovering the pleasures of the table.

The fine white salt-glaze stoneware made in Staffordshire from the 1730s was particularly suited to jelly moulds, lending itself to crisp modeling into such novel shapes as fish and fruit and sunbursts.

The pioneer cookery expert, Hannah Glasse, and her readers would have used such salt-glazed moulds. Ms Kevill-Davies quotes Mrs Glasse's recipe for Gilded Fish in Jelly.

The fish were moulded in blancmange, and when cold were gilded. The cook was then instructed to "lay them on a soup dish, and fill it with clear, thin calf's foot jelly, it must be so thin as the will swim in it."

Mrs Glasse also offered instruction "To Make the Moon and Stars in Jelly." Moon and stars were moulded in clear jelly, and made to float in a sky of white flummery.

Salt-glazed stoneware was usurped, both for table and kitchen use in the last quarter of the eighteenth century by Wedgwood's new creamware: and the Wedgwood factory at Burslem supplied jelly moulds in great quantity and variety.

Ms Kevill-Davies helpfully explains two rather mysterious types of mould that are occasionally encountered among creamware examples. Moulds of otherwise conventional form but pierced with holes in the bottom were, it seems, intended for curd; the whey being thus permitted to run out during the process of setting.

Still more fascinating are the moulds, generally by Wedgwood but sometimes bearing the mark of rival firms like Neale, formed in two parts. An inner shape, painted with flowers or fruit, fits neatly into the usual outer mould, leaving a gap of about three quarters of an inch between the walls.

The object was to coat the inner shape, which might be formed as a pyramid, cone or obelisk, with a layer of jelly. The result was intended purely as table decoration, the painted design showing through the jelly casing which shimmered in the candlelight.

Parson Woodforde marvelled at such a centrepiece at a dinner party at Weston House in 1782, when it was "A new Device and brought from London."

Copper jelly moulds are most sought after for their decorative value, though they are of rather later vintage, having come into popularity only in the 1830s. Attractive as is the glow of polished copper, these moulds can be distinctly poisonous if they are not fully plated with tin.

Collectors who too rashly experiment in actually using their moulds, however, may be reassured: the invaluable Mrs Beeton, anticipating every eventuality, offers a remedy for the resulting verdigris poisoning: "Give white of egg, afterwards, enemata to open the bowels."

Paradoxically the rarest moulds are those made in the most precious and the most humble materials. Silver moulds are recorded but are, in Ms Kevill-Davies experience "extremely rare."

She illustrates two wooden moulds from the eighteenth century, but these too are as rare today as the sweetmeat intended to be made in them — "flummery," a concoction of hartshorn jelly thickened with ground almonds and oatmeal. Mrs Glasse advocated taking it with a little milk, or with wine, cider or beer mixed with sugar.

Tinned iron moulds, also, though in continuous manufacture from the early 18th century to the present, have a very low survival rate. Subject to rust, they were cheaply produced and had little decorative value to encourage their preservation.

As well as the varying materials from which jelly moulds have been made in the past two and a half centuries, Ms Kevill-Davies surveys the changing taste in forms, from the architectural constructions of the neo-classic period to the bunnies and hens beloved of the late Victorians; the Shelley Pottery's Art Deco fancies in the 1920s; and Mickey Mouse moulds made in aluminium in the 1930s.

She also cites promotional moulds of the early 20th century, like the "Lushette Mould for Lushus Jellies" or the quite frequently found Brown and Polson mould, with directions for making blancmange helpfully printed on the side.

To bring the story up to date, she even illustrates currently available moulds in coloured thermoplastic. The shapes these favour — teddy bears, tortoises and racing cars — reflect the sad social decline of the jelly in our times, relegated finally from the banqueting halls of the great to the nursery tea table.

After the Ryder Cup . . . **Ben Wright** reports

# Golden boys challenged

Knocking at the door . . . Faldo and Langer

WAS THE brilliant performance of the European Ryder Cup team in Florida a flash in the pan, or is it a real indication that the once huge gulf in standards between the American and European tours has at last been significantly narrowed?

If you believe in sequences and that history repeats itself it might be 16 years before the next desperately close finish to this biennial series.

Since its resumption in 1947 we won the cup for the first and last time in 1957, achieved a memorable tie in 1969 and then, by losing by only a single point last month registered our best-ever result on American soil.

This gloomy forecast is not just a jaded and cynical cheap shot from one who has a profound admiration for the American golf professionals' work ethic. The fact is that the four most successful members of the European team in Palm Beach Gardens will almost certainly eventually be lost to America from the European tour.

By finishing tied or second in the Walt Disney Tournament in Orlando the week after the match, Nick Faldo—four cup wins against a single defeat—won $35,200 that vaulted him 50 places in the American money list.

Faldo started this fateful week in 126th place, and only the leading 125 qualify for the all-exempt 1984 American tour. Europe's leading money winner with an all-time record £119,416 this season, Faldo immediately announced that he would drastically reduce his European schedule in 1984 and play at least 20 tournaments in America.

Faldo's Cup partner, the West German Bernhard Langer—also with four wins against one defeat—told me two years ago that his eventual ambition was to play the American tour. Third placed to Faldo in European earnings this year, Langer has few worlds left to conquer at home.

Seve Ballesteros, second to Faldo in Europe and 3-1 in the cup, has already announced his intention to play the American tour in 1984, as has world match play champion Greg Norman, who is already domiciled in Florida.

And the tigerish little 20-year-old Paul Way—3½-1 in the cup—was so successful on his debut he is unlikely to be satisfied with being a relatively big fish in a small European pond forever. Way, who finished ninth on the European money list, and his three senior cup team mates accounted for no less than nine of Europe's 13½ points in last month's strangely triumphant defeat, if there can be such a contradiction in terms.

Without this quartet and the exciting Norman the European tour would be sadly short on both flair and charisma, but there are so many good young and ambitious players waiting in the wings this could even be an advantage in the fullness of time. It is a situation that is largely imponderable.

One thing is certain, however. Faldo's brilliant season that included five tournament victories could never have happened had he not wisely chosen to hone his skills against the cut-throat competition on the American tour. His example may be widely followed in the near future.

Another thing is even more certain. The much-changed Ryder Cup qualification system will have to be changed yet again. Peter Oosterhuis, one of our more successful cup performers during the past decade, was ousted from the 1983 team when the rules were changed so that the 12 leading European money winners automatically qualified.

Previously, places have been left open for expatriates and special cases. Now it seems inevitable that if Faldo and Ballesteros and others are to be made avialable in 1985, and it is ridiculous to even think of a European team without them, some places will have to be put aside.

Hindsight is always 20-20 but I only wish Oosterhuis had been in last month's team. His courage and experience might have been invaluable to us in the crunch.

Ironically Oosterhuis finished the year in 78th place in the American money list, while the second successive year Faldo was 79th. Norman was 74th, while Ballesteros, with victories in the Masters and at Westchester, won $210,933 for 18th place.

If the gulf in playing standards has indeed narrowed between American and European professionals it is amusing that two of the most successful players on our narrowly-defeated—13½-10½—Walker Cup team at Hoylake were educated, at least in a golfing scholarship sense, at American universities, British amateur champion Phil Parkin at Texas A&M and Ireland's Philip Walton at Oklahoma State. If our best young amateurs continued to be recruited in this way we may beat the Americans sooner rather than later.

But our dismal record of two victories against 27 defeats in this biennial series is such that we should probably call in the Europeans and any one else prepared to join us. Alas, this is unlikely to happen, in spite of the fact that matches between America and the Rest of the World's amateurs and professionals would be more competitive.

Can a British player win the Open Championship at St Andrews in 1984? Obviously Faldo, after his courageous near-miss this year at Royal Birkdale, will be warmly fancied to do so.

He has already experienced the enormous pressure on a British hopeful. I suspect he will be all the better for that. He could well give golf in Britain a major shot in the arm with a triumph at "Headquarters."

**Peter Robbins** previews the Varsity rugby match

# Oxford still in the blues

THE RESULTS of the Varsity Match for the Bowring Bowl over the last 10 years make mournful reading for Oxford supporters. In that period Cambridge have won eight matches and Oxford the other two.

An even more alarming statistic is that in those 10 matches Oxford have scored only three tries to 14 by Cambridge. This decline of Oxford rugby over the last 10 years deepens in spite of the confidence of the captain, MacNeill this term.

There is no real sign of the recession bottoming out (it is much to Oxford's credit and to that of their coach that the enthusiasm of the players has not been dimmed).

Why has there been this dramatic swing in Cambridge's favour? There is no doubt that Cambridge are more organised administratively, and also conduct their affairs more in the manner of the normal sort of rugby club. By this, I refer to the support by town and gown, the club-like facilities that exist at Grange Road, and the unstinting support of their Old Blues.

Added to this there exists a position at Cambridge for a PE adviser, which is a recognised university post. No such position exists at Oxford at all.

Cambridge have also been fortunate to have continuity in their coaching, with Ian Robertson the former Scottish international doing a long stint and being replaced by Tony Rodgers who, happily for Cambridge, is on tap most days of the week and gives his time generously, season by season.

The admission policies are quite different in each place with Cambridge being far more flexible. There each college has a tutor for admissions whereas at Oxford it is the Faculty don who makes the final choice of entrant. Each Cambridge college can therefore lose the odd two or three gifted sportsmen in an intake of perhaps 100.

Oxford are acutely alarmed at the lack of basic skills and drills in the players that actually go up. Cambridge, with a greater percentage of public school entrants, appear not to have the same problem. The old fashioned dedicated approach of the public school coach is a good indoctrination and a firm foundation for the future.

It was interesting and notable that on their simultaneous tour of Japan, Cambridge were much more assiduous in their training than Oxford and indeed much more confident in their matches.

That confidence will be very evident on Tuesday after which I would like to see a symposium at Oxford to discuss the ever-increasing problems.

I would envisage college captains, senior common room members, the present committee and selected Old Blues meeting for such a discussion.

So what will happen at Twickenham on Tuesday?

Oxford's strength this year is in their backs where it is a relief to see Crow back on the wing and Coleman back in the centre. Pearson, the scrum half, shoulders a tremendous responsibility and although his past is variable he does stick at his job.

That stickability is essential if Barnes, Oxford's pacey fly-half, is to launch his backs as well as run himself. I imagine Barnes will kick a fair bit, but McNeill will also be hovering in or around the back line looking for the intrusion.

McNeill played a low key game in last year's match and I hope he will be fit enough to come into the line as well as he did against Leicester earlier in the term. That game, after the depressing match against Canada, demonstrated that the Dark Blues have a lot of spirit.

Behind the scrum, O'Brien has been wonderful in defence but Millerchip will have to be extremely vigilant against Bailey, the Cambridge captain.

How the Oxford backs fare depends on the performance of their pack. Herrod and Mills are strong enough in the tight and Webster the hooker is an excellent technician. Thomson and Rosier have not always been convincing jumpers and catchers in the line-out and success in this phase will depend largely on Gargan who has been the most consistent forward this term. He has always been overworked but equally has also relished the challenges that he has faced and met unequivocably.

One area that concerns me is that Oxford seem to tap back indiscriminately and McQuaid and Morgan will need to be on to any loose ball.

Cambridge have an extremely well organised pack and it contains some big men. Their line out drills in particular are impressive, and Bush the hooker throws in accurately to any length. Both David and Ewbank are tall but like Oxford, Cambridge's best performer is Ellison, an exceptional number eight.

He and Gargan went to the same school and a battle royal is in prospect. Oxford must be especially careful in defence when Cambridge are on or around the 22-metre line. Cambridge form the short line-out and tap down to Bailey coming round the front to set up the ruck.

This has worked well this term and is a real threat sucking in as it does the opposition backrow. Ellison's deep cover is also first class and Morrison is very sharp around the field. Altogether there is a great sense of purpose about this pack which is well led by the loose head prop, Bailey.

In the matches I have seen this term Cambridge have been giving the ball plenty of air in spite of the slight hesitancy from their scrum half Roberts. He likes to run from the scrum to link with Ellison who is quick and strong on the burst.

Andrew, last year's instant legend at fly half, has some very bright runners outside him with Paterson-Brown and Simms forming a nicely balanced pair of centres.

Yet the Cambridge strength in attack is in their two wings Bailey on the left and Smith on the right. Bailey scored two stunning tries against the Harlequins in their final game, and has the priceless ability to change direction quickly on either foot. Swift too is quick and skilful and behind them there is Martin.

I would expect Cambridge to use Andrews' accurate kicking early on before trying anything fancy but there is no doubt that with their forward strength and their racy backs Cambridge have the ability to win.

But one weakness of the Cambridge side is in their defence. Against Bodgers and the Harlequins it was alarmingly brittle. Oddly enough it was Bailey, the captain, who was most highly suspect in this department.

It looks like a handsome Cambridge win, but strange things happen on this particular day. As an Oxford man, I wish I could say that a strange event will take place but reason dictates otherwise.

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# The £-dollar paradox

IT'S VERY ODD, on the face of it. Great Britain is enjoying a welcome economic recovery, which seems to have arrested the long rise in unemployment, but it is a slow one. The current account seems to be roughly in balance and is forecast to remain so: monetary growth is on target and fiscal policy is tight. The U.S. is enjoying a rapid recovery, which is still full of vigour; demand is sucking in imports and the balance of payments is weak and getting worse. The Government deficit is denounced even by the President's own advisers, and the authorities are too scared of what high interest rates would do to the banking system (not to mention the opinion polls) to take any action to mop up past excesses in monetary growth. Yet the dollar is at record highs and sterling at an all-time low against the dollar.

## *Balance of payments*

In recent weeks, to be sure, the spot oil market has been weak, a situation which always makes City men nod their heads sagely and remark that sterling is now purely a petro-currency. There is certainly something in this explanation, but surely not nearly as much as the believers would suggest. The weak price would help the currencies of big oil importers like Germany and Japan most of all, but sterling has in fact done quite well against our European trading partners. The implications for the UK balance of payments itself are not dramatic; we are quite modest net exporters of oil. Yet while the oil price has eased by less than a fifth from its peak, sterling has fallen two fifths against the dollar.

Interest rates and another obsession with the short-term commentators, but again the explanation is not nearly strong enough to carry the load. The dollar did not weaken after the dramatic fall in dollar rates following the Mexican loan crisis last year; it went on to new highs. The credit markets this year have been very undramatic by past standards.

There are two more fundamental influences which are left out of these accounts. One is the relation between oil prices and the world value of the dollar itself, which is a fairly straightforward matter; the other is the more difficult analysis of the tidal movements which influence the long-term capital markets.

## *Opec surplus*

The most dramatic change which has affected the currency markets in recent years has been the disappearance of the once huge surplus of the Opec group of countries, and the appearance of an Opec deficit. It was the Opec surplus which financed the explosive growth of the Eurodollar market, which made dollars so easily available to those in deficit. This had the same effect on the dollar as runaway monetary growth in the U.S. would have had—but this offshore dollar growth did not show up much in the U.S. money supply figures, and no alarm bells rang. In this period inflation was high, the dollar weak, and real interest rates were negative.

The great change in U.S. monetary policy in 1979 changed all that, and deflated not only the U.S. economy, but the oil market too; and the Opec surplus disappeared.

The collapse of worldwide dollar growth was far more dramatic than the change in U.S. monetary growth, and there has been a dollar shortage ever since. A weak oil price adds to that shortage, as Opec countries have to run down their offshore deposits to pay for their imports. The dollar has been persistently strong, and real interest rates punishingly high.

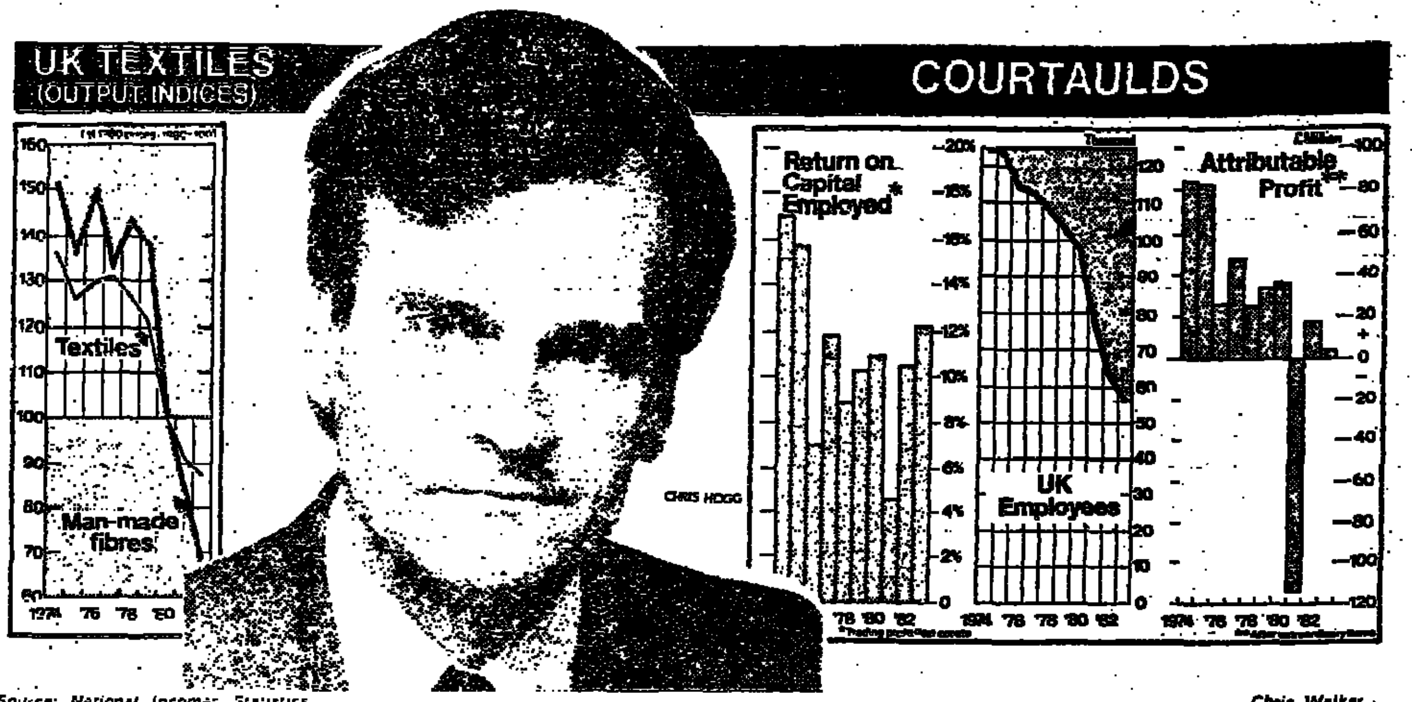
## *Portfolio decisions*

These changes also have their effect on long-term portfolio decisions. Dollar debts run up in the easy days now look burdensome, and debtors are struggling, largely unsuccessfully, to pay them off out of current earnings. They are also beginning to borrow other currencies in order to reduce their dollar exposure—including sterling, as the recent flow of bulldogs issues and Eurosterling loans bears witness. The UK Government's attack on long interest rates, through tight fiscal policy, privatisation and indexed borrowing has helped to make such borrowing attractive. Such exports of capital weaken sterling.

Major portfolio adjustments characteristically take a long time to complete. For example, as Morgan Grenfell point out this week in a circular, it has taken four years since the abolition of exchange controls for the British investment institutions to build up their foreign currency holdings to a tenth of their portfolios; nobody yet knows if they will stop there. Repaying excessive dollar debt will take longer. So the "abnormal" strength of the dollar and weakness of sterling may last long enough to seem normal. As citizens, we need not worry unduly: the adjustment is welcome to exporters, good for profits and growth and has done much less than was feared to provoke inflation. As investors, though, we must take note; it never pays to buck the market too early.

# Courtaulds breathes again

By Jeremy Stone



Source: National Income Statistics

Chris Walker

FOUR YEARS AGO, when Christopher Hogg took over as chairman of Courtaulds—then arguably the world's largest textile company—the UK textile market was only months away from disaster.

In May 1980, when Courtaulds was reporting profits for the previous 12 months of £68m, demand went into free fall, dropping by 15 to 20 per cent in a matter of weeks. For the next year, Hogg's profit before tax was £5.1m, and he had to write more than £100m off the balance sheet.

In the eyes of many people Courtaulds took on an importance beyond the textile sector; the company had become a touchstone of how deeply even the largest companies were being shaken by Britain's industrial recession. The drastic changes which Hogg then put in train have since made it a test case of the extent to which industrial surgery can keep a company alive.

This Wednesday, Hogg announced a set of figures which were taken by the stock market, and by the textile industry, as a milestone in the industry's recovery.

Profits for the half-year were up to £47.7m before tax—more than twice as high as in 1982—and Courtaulds' chairman had to work grimly to restrain the more euphoric commentators from demanding impossible targets for the second half.

All the same, Courtaulds is universally expected to top £100m for the first time since 1975, and the shares are standing 70 per cent higher than they did at the start of 1983.

Chris Hogg's professed indifference to these marks of success is not entirely successful. But it comes more credibly from him than it would from most people. Only 43 when he took on the job, but already

## Symbolic element to head office retrenchment

one of the longest serving members of the Courtaulds board, Hogg has the name for being something of a puritan. But this has led to some apocryphal exaggerations, as when he was said to be the only chairman of a company in the FT Index to drive a Volkswagen Beetle.

The head office in Hanover Square itself was subjected—with more than a touch of symbolism—to as rigorous a retrenchment as anything in the organisation. In the last four years, the central staff has been cut by around 80 per cent and seems to fit quite comfortably into a couple of floors in one of the two buildings it used to occupy. The style is now fashionably minimal.

Mr Hogg's reputation as an austere "numbers man" has not been unearned but it is only fair to say that it was also the product of circumstances. If he, or someone else, had not been able to enforce a tough financial line, Courtaulds might easily have gone under three years ago.

Even so, it is only natural for City sceptics to wonder whether the same management style can be equally successful in a period when the company is faced with the challenge of renewed growth and when the choice between possible ways forward will demand qualities of imagination which might not have been necessary during the purge.

In fact, this way of looking at things does very little justice to the depth of thought which Hogg and his colleagues have applied to the retrenchment of the past four years.

The cuts have been sweeping—as the painful record of plant closures and the falling payroll show—but they have been founded on a still more radical analysis of the group's place in the world. "Conceptually"—a favoured term with Hogg—the company has been turned inside out and it has at last begun to look as if this rethinking may have opened up a believable range of opportunities for Courtaulds.

Hogg's starting point is actually quite simple: the company had to be stood on its head. The modern Courtaulds was moulded almost single-handed by Lord Kearton (and saved from takeover by ICI in 1962) in the decade leading up to the first oil shock of 1974. It is somewhere short of caricature to say that Kearton's vision was of a world made for manufacturers; huge economies of scale in basic textile production could be turned to greater advantage by a high degree of vertical integration—Courtaulds' fabric companies bought the output of its spinning works which consumed Courtaulds' fibres, while in-house garment companies stitched busily away, adding value to the Courtaulds' fabrics.

Dazzling as this conception was, the economic environment had started to betray it even before Lord Kearton's retirement in 1975. By the time Hogg took over, there seemed to be several things badly wrong with the idea.

The first problem was that the scale of the whole machine had turned out to be far too large for the market—scale economies were not sufficient in the late 1970s, given wage and other costs in the UK, to overcome the price advantages available to low-cost producers in the Far East. Imports were satisfying an ever increasing share of demand in the UK and Courtaulds' exports—handicapped by the rising pound—were far less profitable than

**There are worries about finding the technological base needed to make long-term profits**

could have been foreseen when most of the great capital projects were being commissioned.

The rising degree of import penetration in the end decisively undermined the idea of a production driven enterprise where the level of output could be set to minimise costs while market muscle was used to ensure that margins were adequate.

It had become all too clear that Courtaulds' textile businesses were selling in a competitive international market; and that meant that they could not try to operate by forcing oceans of pink acrylic down the textile pipeline when the consumer actually wanted something different.

Hogg himself now says: "If you try to drive these things from the back seat it doesn't work." And unfortunately for Courtaulds, it had been constructed as "a pyramid with an enormous base up in the clouds and a small point down in the market."

So the most fundamental change in approach has already been made—to be outward looking, working backwards from the market, not pushing against it. And that already has implications for the way Courtaulds is likely to move in future; further down the path of product differentiation, with smaller and smaller runs of production, minutely varied to meet specific customer demands.

This marks a complete and self-conscious break with the group's psychology, as it evolved under the personal and detailed direction of Lord Kearton, when everything was done with an eye to Hanover Square's approval. "The corridors still echo with his authority" is a comment often expressed around Courtaulds after almost a decade. Decentralisation, like the diminution of head office, has been a reaction against this legacy.

The vertically integrated structure also caused managers to look inward, within the group, where they often found their largest and most profitable customers. In contrast, Hogg's version of Courtaulds has built on beginnings made by Sir Arthur Knight, Hogg's immediate predecessor as chairman, in trying to create firmer — and more informative — links with customers.

Marks & Spencer, which directly and indirectly buys about 10 per cent of Courtaulds' £2bn turnover, sees this development as highly beneficial to both parties. Hogg says: "We have had to realise that co-operating with each other can produce better margins for us both." Any tendency to see the relation with customers as that between opponents in a zero-sum game has definitely gone.

Although the worst of the carnage is apparently over, Hogg still has to think seriously about the shape of Courtaulds' portfolio of businesses, some of which still employ a lot of capital — and have enormous turnover — to rather small effect.

The trading profit on fibres and yarns in 1982 — where sales were £750m — was a tiny £35m, and while things are going roughly twice as well this year with better volumes and exchange rates, there is still a long way to go before anyone can feel happy about margins. And in fabrics, where times have been still more bleak, the historic return on capital in the UK last year was just 2 per cent, so that there is plenty still to think about.

However, Hogg points out that others have found it possible to do better: "I cannot think of any area of substance in our UK textile interests where our competition, or some of it at least, is not making money," he says. "And it is still two-thirds of the company, but although we have taken the view that there must be ways of making money in textiles, it is too early to tell what size of textile business will be right in the 1990s.

"In a business which is enormously affected by externals, with excess capacity at almost every level, we have to decide what is defensible and manage it to international standards."

In the past, Hogg comments, the group found it hard to get the choice right. "We had a portfolio which had come to be badly wrong—and to manage it at anything near best practice. We were managing it not very well."

The management record has started to look a lot better, but there are still questions as to how well Courtaulds is likely to do if it starts adding to its portfolio again. That intention seemed clear enough when it had a £68m rights issue last May, particularly in view of the activities of Mr Ed Barr, a Courtaulds director appointed specifically to scour the U.S. for possible bid targets (preferred area, speciality chemicals).

Chris Hogg's attitude to this project has become rather agnostic, not least because the fall in the sterling/dollar rate which is so helpful to textile margins at present has accentuated the already sharp increase in U.S. equity prices since Courtaulds started looking: "Other things being equal it would be nice to buy in the U.S., but it is not the saving grace, it never was." He will buy companies, if at all, for the sake of greater technological and geographical diversity, "not for assets as such."

Hogg also says that the need for heavy reinvestment in the group's existing plant has been rather overshadowed (in the public mind) by the search for a takeover candidate. There is a lot of undermaintained capacity around which will need a lot spent on it—perhaps £40m more than the depreciation charge each year—if it is to remain productive. And this is leaving nothing for new technology, "which requires a heavy down-payment."

There are worries about where the group is going to find the sort of technological base

**'We had a portfolio which had come to be badly wrong'**

it needs to make profits in the longer term (hence the U.S. takeover plans). International Paint is the only part which has the reliable habit of producing "bankers" for the future in the way of technical novelties, according to Hogg. But technological advance is certainly where many people—Hogg included — are looking for real profits recovery in textile production over the next few years.

Microelectronics, mainly in the guise of robots, seems likely to keep the lid on labour costs; even something as complicated as a shirt can be produced, or soon will be, with minimal labour content. And the same technology is at the heart of ambitions to shorten the textile pipeline by producing exactly what the customer wants with ultra-short lead times.

For the optimists, this could finally stem the import tide, bringing about the textile counter-revolution.

## Letters to the Editor

### *Food*

*From the Manager, Cambridge Education Consultants*

Sir,—John Cherrington, in his article "Case for seeking self-sufficiency in the developing countries (November 25) is unconvincing in his explanation of the lack of self-sufficiency in food production in developing countries.

He does not seem to understand the appropriate uses of measures of efficiency (such as returns to capital and returns to labour) nor the rationale behind choices of farming techniques. There are many who would question his sweeping assertion that plantation agriculture is "more efficient" than smallholding agriculture.

It is a very simple minded approach to identify the "prime cause of the problem" as the "legacy of colonial exploitation"; in many cases this may be near the truth, but in many it is not. If he had continued to develop his theme on the CAP, he would have noted that low producer prices and over-valued exchange rates contribute as much to the shortage of food in developing countries as price policies contribute to absurd overproduction in Europe.

A great part of the "world food problem" would disappear if Governments and marketing boards in the Third World understood the relationship between price and supply and adapted their exchange rate, taxation and producer prices accordingly. However, who are we in Europe to talk about sensible food prices?

Perran Penrose,
*Demeter House, Station Road, Cambridge.*

### *Motorists*

*From the Chairman, Motor Insurers' Bureau.*

Sir,—Stuart Marshall ("Who are the road hogs?" November 19) makes some interesting comments in the final paragraphs of his article, with which one cannot disagree. He also makes the point that "being involved in a crash with an uninsured car is a desperately serious matter for the victim." This is certainly true, but he might have gone on to mention the existence of the Motor Insurers' Bureau, which (under the uninsured drivers agreement) provides compensation for people who have sustained bodily injury as a result of the negligence of uninsured motorists.

Uninsured driving (all too prevalent nowadays) is a serious matter not only for the victim but also for the general body of premium paying motorists who are obliged to fund, through their premiums, the activities of the irresponsible minority who fail to take out insurance. The activities of this minority (all too numerous) result in a serious and unacceptable loss of premium income to the motor insurance market.

We have over the years noticed a reluctance on the part of magistrates to regard uninsured driving as the serious offence which it is. In most cases penalties are entirely inadequate and represent only a small part of the premium which the offender has avoided paying. A very good system is operated in Finland whereby a person convicted of driving while uninsured is ordered to pay to the local guarantee fund (the equivalent of MIB) an amount equivalent to that which he would have paid during the period in which he failed to take out the insurance cover required by law. Payment of this penalty by the offender ranks second only to a tax debt and is entirely logical because the guarantee fund has been at risk during that time in respect of the uninsured motorist. This system could with advantage be considered for introduction in the UK.

T. A. Kent,
*Aldermary House, Queen Street, EC4.*

*From Mr D. England.*

Sir,—It was pleasing to read views very similar to my own expressed so clearly by Stuart Marshall in his article "Who are the road hogs?" (November 19).

Mr Marshall has asked for opinions from "both sides of the radar set" and I do hope the police will explain to us how their target areas are selected. In my own area, for example, reckless and vastly excessive speed seems to be ignored on busy and heavily built-up roads in the town and overtaking on zebra crossings, often ill-lit during winter rush hours, goes unchecked. Meanwhile the police have given considerable publicity to a campaign to catch and prosecute cyclists who ride on pavements (even though, it might be said, that is the only safe place to ride).

Furthermore, I believe that we should look beyond the "radar set" to the magistrates, who fix the penalties, and to those who make the laws. Mr Marshall has mentioned the indisputable fact that "Being involved in a crash with an uninsured car is a desperately serious matter for the victim": that being the case why is driving without insurance treated as utterly trivial by the courts, with fines usually far less than the cheapest of insurance premiums? The even smaller penalties for having a vehicle without a test certificate are also no encouragement at all to go to the expense of maintaining a vehicle in a roadworthy condition. Could someone, perhaps a magistrate or politician, please tell me why these offences are considered so inconsequential?

David J. England,
*62, Patching Hall Lane, Chelmsford, Essex.*

*From Sir Philip Goodhart, MP*

Sir,—Mr Stuart Marshall, your motoring correspondent, is critical (November 19) of the use of radar speed traps, and says: "So where do the police set up their radars—in accident black spots or on stretches of road where breaking the speed limit is clearly dangerous and irresponsible? It would be nice to think so but in my own experience, the reverse is true. . . . The best place for a radar to pull in plenty of victims and generate some revenue for the police authority is on a clear stretch of road. A large number of drivers will be caught exceeding the speed limit because there is no obvious reason—other than respect for the law—not to do so."

I represent a suburban constituency which contains many stretches of road where it would seem that there is no reason to obey the law. But in recent months I have received an increasing number of complaints from many residents who live alongside these roads, about the danger and the anxiety provoked by speeding motorists.

The metropolitan police now have equipment which can measure the speed of traffic flows much more accurately than they were able to do even a few months ago. I am told that the checks carried out in my constituency show that a majority of drivers exceed the speed limit by 10 miles an hour. On one of those stretches of road, which is wide and comparatively straight, and which looks safe, two people have been killed in the last four months—one of them a child of six.

I am encouraging the police to increase their use of radar speed traps in my constituency, and I have asked them to establish some special speed control zones, with appropriate warning signs, on some roads where the volume of fast traffic has caused particular concern.

If the present accident rate is maintained, another child or another elderly person will be killed on the roads in my constituency before Christmas. A stricter enforcement of the existing speed limits will make it a little less likely that this sort of tragedy will occur.

(Sir) Philip Goodhart.
*House of Commons, SW1.*

### *Unsupported*

*From the Group Director-Finance, BBA Group.*

Sir,—It is difficult to find support for the case made (November 21) by the Institute of Chartered Accountants in England and Wales that a survey of 15 brokers indicated use of current cost information. From the many visitors from the City to our office to discuss the contents of our published accounts and our trading conditions, hardly anyone refers to the published SSAP 16 figures.

A different form of inflation accounting is used internally and therefore management finds little interest in CCA.

In no small way the failure in the implementation of SSAP 16 is attributable to the lack of promotion and education on the part of the accountancy bodies.

Ray Mitchell,
*PO Box 20, Whitechapel Road, Cleckheaton, West Yorkshire.*

### *Privatisation*

*From Mr R. Atkinson*

Sir,—Robert Oakeshott (November 21) makes the untenable but often repeated claim that workers in nationalised industries should be able on privatisation to buy shares at preferential rates. Having enjoyed the patronage of monopoly unions and jobs and salaries unconstrained by market disciplines they have even less right to such preference than, say, consumers of that nationalised industry's goods and services.

The "buying off" of management and workers through heavily discounted share sales is akin to the robbery of taxpayers through equally unwarranted unconditional tax-free redundancy payments. Both processes have that unmistakable ring of corruption about them.

Rodney E. B. Atkinson,
*60, Ashbourne Court, Woodside Park Road, N12.*

### *Coinage*

*From the Research Officer, National Association of Theatrical, TV and Kine Employees*

Sir,—You highlighted (November 22) the Low Pay Unit's concern that repeal of the Truck Acts could mean arbitrary deductions from the pay of some workers to compensate for shortages in the till.

There is a far larger group of low paid workers who would be penalised in an even more undeserving way. Most banks now limit free services to customers who maintain a credit balance of at least £100. Many low paid workers would find themselves compelled to pay bank charges out of their pay merely because their employer has chosen to switch from cash to cheque.

The time-honoured probity of "coin of the realm" will be lost for ever.

David Cormack,
*155, Kennington Park Road, SE11.*

### *Marriage*

*From Mr R. Rosser*

Sir,—Mr H. Norman Harrison in his timely letter of November 1 overlooks a surprising anomaly in the implementation of the Capital Gains Tax. This is that two people living together "in sin" are each given an annual capital gain tax-free allowance of £5,300 i.e. a total of £10,600. On the other hand, with a married couple living together, the total allowance is limited to £5,300, presumably nominally the due to the husband. I wonder that there are not more complaints about this injustice.

R. J. Rosser.
*"Te-Roa," West Bay, Maenporth, Falmouth, Cornwall.*



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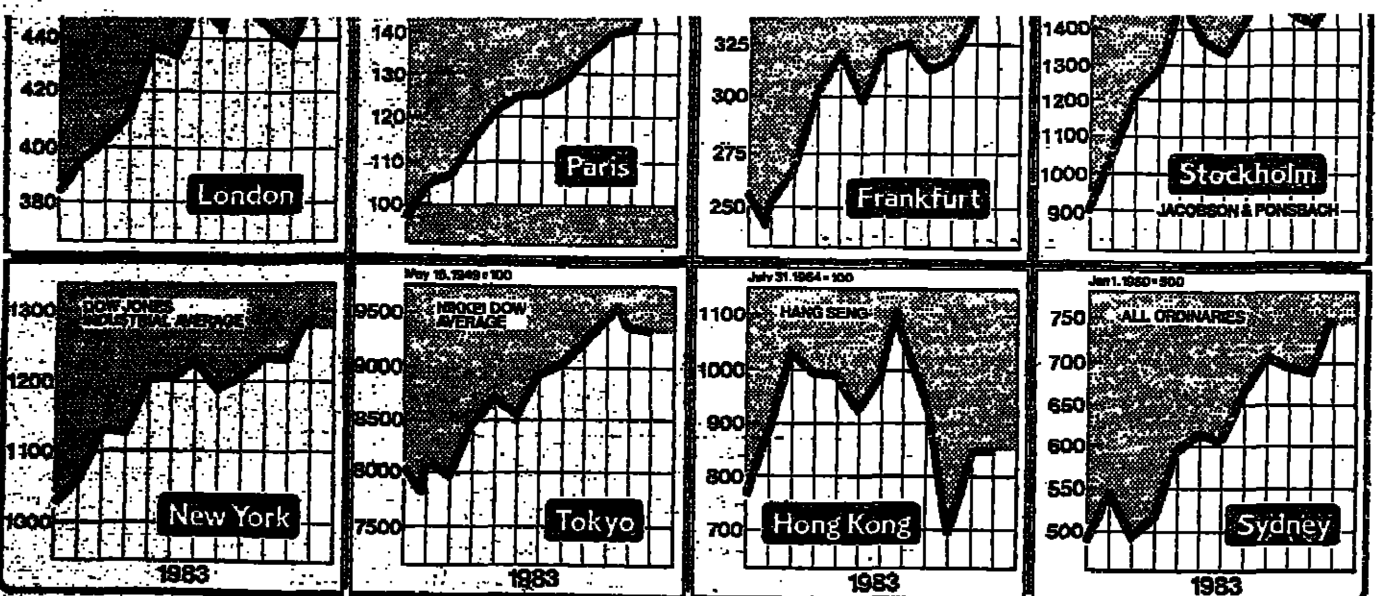


Bob Hutchison

## World Stock Markets

# The bulls are feeling frisky again

By Tony Jackson

THE WORLD'S stock markets are back in bullish mood. Earlier this week New York's Dow Jones index hit an all-time high and so did London's FT 30-share index.

During the past few weeks a further five of the world's major markets have reached highs for the year and only three ended November lower than they started it, in each case only marginally.

Why the enthusiasm?

As often these days, Wall Street has been playing the role of locomotive. After a weak October, the Dow Jones strode ahead in November, and by the 29th was showing a gain of 60 points over the month. The wider Standard and Poors index —like the corresponding All-Share index in London—was more subdued, and failed to break new ground.

Wall Street does not always drag other equity markets along with it, but these days the phenomenon seems more frequent. To begin with, there is the sheer size of U.S. market capitalisation — pushing $1,600bn, eight times the size of the UK market and accounting for nearly 60 per cent of the world's equities by value. Equity trading has of late become a much more international business and it is getting harder for smaller markets to buck the Wall Street trend.

There are also more fundamental reasons. For the world economy to recover, it is pretty well a precondition that the U.S. recovery should proceed at a sure, steady rate. So investors outside the U.S. will look to Wall Street, as a sensitive and forward-looking indicator of the health of corporate America, when assessing the prospects for their own economies.

But as to the health of the U.S. recovery, Wall Street is, despite November's good performance, still in two minds. Growth in the economy has come back from previous hectic levels to what could be a more sustainable pace. Still, many Wall Streeters adhere to what has become known as the collision theory. As the economy continues to grow, corporate America will sooner or later have to start borrowing in earnest to finance expansion. This will put pressure on the credit markets, which are presently being hogged by the U.S. Government to finance that great bogey of the markets, the budget deficit. Collision between these two borrowing requirements, says the theory, will force up interest rates and cause the recovery to stall.

Six months ago these worries were causing bond yields and interest rates to creep up ominously, and equities looked shaky in consequence. The market is now feeling more confident about the interest rate outlook, and hence the equity recovery. But there is still a trace of nervousness, which explains why the Dow Jones index has been doing better than the market as a whole. The Dow, like the FT 30, measures a small number of blue chip industrials. These are the stocks which the market, in selective mood, sees as safer than the small second-liners. "The old cliché holds good just now," says one Wall Street analyst. "This is a market of stocks, not a stock market."

Nevertheless, the underlying Wall Street tone has been fairly confident; and other world markets have been able to develop with that confidence as a backdrop. In a number of cases, local political questions have played a part, particularly in the few markets which have been doing badly. Hong Kong felt over the month, despite welcome steadiness in its currency and excellent figures on the real economy. The problem is, of course, China's claim to sovereignty, and the ending of the present treaty in 1997.

Singapore, too, has had political problems. Its neighbour Malaysia—their stock markets are closely linked—is going through a constitutional crisis, caused by the decision to reduce the autonomy of its sultans.

There was a touch of political nerves, too, in Japan, ahead of the elections on December 18. But the Japanese market contrived to hold its ground, mostly because of what the trade calls "special situations." Telephone stocks like Nitsuuko, for instance, have been moving strongly, on the prospect of the liberalisation of telephone supplies in the U.S. next year after the break-up of AT&T.

European bourses, by contrast, have kept their eyes fixed with less distraction on U.S. developments. The strong performance of the German market seems less the result of good but largely discounted figures from the chemical majors, than of a better outlook for U.S., and, therefore, world interest rates. There is, perhaps, one special situation helping the UK market along: the bids for Eagle Star. Whoever wins the battle, Eagle Star shareholders could receive close on £1bn. There is the suspicion that some of that money might be leaking onto the market pre-emptively, to beat the rush when the takeover goes through.

The Australian market, too, has a one-off element in its upturn, based on a projected very large jump in farm production from its previous drought-afflicted level. More fundamentally, base metal prices—very important to Australia's economy—have been firming in expectation of better world demand.

Ultimately, market strength worldwide has been based on hopes of fundamental recovery and a better trend in interest rates. The Dutch market, at least, has found some justification for recovery hopes in good figures from Unilever and Royal Dutch-Shell. As to interest rates, anything might happen, and the U.S. holds the key. It is little wonder that investors worldwide are taking their cue from Wall Street.

# A chariot changes drivers

THE PICTURES that line the office of Jake Eberts at Goldcrest Films and Television all stand on the floor. Although Goldcrest moved into new premises in Kensington Town Hall in July the company's chief executive never got around to hanging them up. Now, he never will.

The man who took Goldcrest in seven years from a one-man company to what is claimed to be the largest independent producer of films and television in the UK if not in Europe, has decided to quit.

At the very moment when Goldcrest, backers of the films *Gandhi* and *Chariots of Fire*, is turning Oscars and critical acclaim into hard cash in the bank, the 42-year-old Eberts is going to Embassy Films International to join Lord (Lew) Grade to try to do it all again.

"Friends say: how can you leave your baby? But it's time for my baby to go to university. It has, I think, been well brought up. People cannot believe the reason is so simple or so personal," says Eberts, a Canadian chemical engineer who got into film financing through merchant banking.

After what he describes as months of agonising, Eberts got off the overnight flight from Los Angeles last Thursday and astonished his chairman James Lee by announcing his resignation. "I am not a manager. I am a deal maker," says Eberts. In the end, he could not commit himself wholeheartedly to the task of restructuring Goldcrest, raising more capital and bringing in new partners to shift the company upwards into a bigger league. Administration, with a staff of 45, was, he says, taking up 85 per cent of his time. The decision of the "deal maker" to depart puts Goldcrest's track record, in an industry where success is often merely the prelude to disaster, on the line.

Goldcrest is still tiny in size, capital and output compared with the Hollywood moguls. But it has already done a deal with some of them to provide a channel of first-run films for distribution by satellite to cable television operators in Britain.

Goldcrest has the majority stake in a consortium which brings together Home Box Office, the most successful U.S. cable programme provider, and a subsidiary of Time-Life, CBS Television, Columbia Pictures and Twentieth-Century Fox.

Ebert's impending departure has come at an unfortunate moment for a well-laid plan which includes the restructuring of Pearson Longman, the Goldcrest parent group.


James Lee, Goldcrest's chairman and (right) Jake Eberts, its chief executive

Mr James Lee, chief executive of Pearson Longman and chairman of Goldcrest, was to become a full-time chairman of the film company, working with Eberts.

The group managing director of S. Pearson, Mr John Hale, explains that Mr Lee's desire to move to Goldcrest on a full-time basis was part of the reason for the reorganisation. S. Pearson, the holding company, will directly manage the Pearson Longman subsidiaries —the Financial Times, Penguin, Westminster Press, Longmans and Goldcrest.

Mr Lee now has a month to prepare himself for taking sole responsibility for the day-to-day running of Goldcrest as chairman and chief executive.

The company Mr Lee is taking over is about to break through into profit, thanks both to a policy of carefully choosing and trusting directors and at the same time minimising financial risk by insisting that advance sales of distribution rights cover at least 50 per cent of the cost of each film. It has also been quick to realise that cable and video are fragmenting the audience and offering new opportunities.

*The Far Pavilions* is a perfect example. It has been made as both a cinema film and as a six-part mini series already pre-sold for $20m to Embassy for U.S. distribution—more than the total production cost. It will be shown as a mini-series (on consecutive nights) by Channel 4 in January.

The result is that Goldcrest will make a tiny profit this year, despite £2m in interest payments on capital employed of between £20m and £25m.

A conservative accounting policy means that film production costs are written off at an early stage in contrast to the practice in other parts of the industry. This means that next year the money should really start to roll in, according to the company. Mr Lee says that "the business plan for next year is encouraging, to say the least of it."

The restructuring, which could bring £15m-£20m in new money into the company, is designed to give a firmer capital base for gradual expansion. Goldcrest says it is not yet ready to disclose full details.

"We have lived very close to the margin," says Mr Lee adding that Pearson Longman's overdraft facilities have been needed to even out the peaks and troughs of revenue.

The restructuring means that Goldcrest will become an associate company of S. Pearson, rather than a subsidiary. Although S. Pearson will probably put in more money, its percentage stake in its larger company is likely to fall from 55 per cent to around 40 per cent.

Goldcrest film plans for 1984 are all already on the slate. Five films for cinema release have budgets ranging from $2.5m to $15m. These include *Emerald Forest*, an adventure story shot in the rain forests of South America which is due to begin shooting in the spring. It will be distributed in the U.S. by Embassy, a private company owned and run by Jerry Perenchio and Norman Lear and the parent company of Embassy Films International, where Mr Eberts will work.

The plans also include two mini-series for television similar in scale to *The Far Pavilions*, six films for television, plus a series of smaller projects.

Mr Lee believes a stronger capital base will allow the company to adopt a slightly higher risk profile and enable it to sell off a smaller proportion of the rights in pursuit of a larger proportion of the profits.

"We are not going to go wild and start financing everything with no cover at all," he says in a Scottish accent as soft as the pink bow-ties he often wears. The main constraint on growth, he says, is finding enough good projects.

Has James Lee, who was a management consultant with McKinseys for 10 years before joining Pearson Longman, the sort of entreprenurial flair that can spot winners?

"James has a good nose for a deal and has been a very active chairman," says Mr Eberts whose new office will only be 10 minutes away from Goldcrest.

Mr Eberts says Goldcrest and Embassy will probably co-operate on some future projects. He also hopes that Embassy will make up to six British films a year. If he succeeds, Goldcrest and Embassy together might indeed have played a large part in creating the British film renaissance which has eluded so many others.

## Weekend Brief

### At the heart of things in Warrington

FOR Eddie Shah, chairman of the besieged Stockport Messenger group of newspapers, the advertising hype which helped encourage him to set up his printing plant on the Winwick Quay trading estate in Warrington, Cheshire, must have a caustic ring about it.

"At Winwick Quay your building can be right at the heart of things," says the glossy stand in the swish reception area of the Warrington and Runcorn Development Corporation.

Mr Shah's premises are certainly at the heart of things though not those which he and the development corporation exactly had in mind.

The mass picketing there has little connection with Warrington's own labour relations climate even though the town had one of the country's longest strikes this year at Greenings Wire Company.

"Anyone who has listened to them knows that the people doing the picketing have come into Warrington from outside," says Mr David Binns, general manager of the development corporation.

Warrington is a town with two personalities. One is of the aggressive hard-sell TV campaign: grass-verged new town trading estate divided into sweetly named "courts" and the hum of computers in Swiss chalet-style buildings.

The other is of the remnants of a red brick terrace house township, a Rugby League side taking its name—The Wires—from one of the traditional metal bashing industries and where three big plant closures have helped push unemployment to 14.5 per cent.

The arrival of the Messenger battle on Warrington's doorstep has come at a slightly awkward time for a town normally associated with the distilled virtues of "Vladivar Wodka from Varrington"—to quote the TV advertising slogan. The town was about to announce a labour relations survey showing how wonderful these were in the town. It is holding fire on this for the moment.

It is also a little ironic that a town which partly sells itself on its hi-tech image (catchphrase, "the right move for growth and success") is now hitting the TV screen because of a labour dispute with its roots deep in the beginnings of organised labour.

The smooth tones of Brian Redhead and Kenneth Kendall —old BBC hands—extolling the virtues of Warrington on video and television is a far cry from the sound of police snatch squads marching into the picket lines.

Much of the development corporation's success in attracting a huge number of distribution operations is its excellent motorway links. This logistical advantage has not been lost on the police who have been using the nearby M62 Burtonwood service station as a base camp where hundreds of officers stock up with Polo mints, Hazelnut choc bars and coffee before their mid-week visits to Winwick Quay.

Mr Binns says the Messenger dispute will have no impact on the development corporation, other than the requirement to provide secure storage for nearby companies and cleaning up the mess.

*David Goodhart, of the FT's labour staff, writes:—*

The police's physical underpinning of the law outside the Messenger plant this week was breathtaking in its efficiency and toughness.

Senior officers have not been crowing in public but they were clearly pleased with the operation on Tuesday night-Wednesday morning when fewer than 2,000 police controlled 4,500 pickets for most of the time without too much difficulty.

Some of the tactics drew on training introduced after the 1981 riots in Liverpool and Manchester. They clearly shocked and surprised many union officials.

At about 1.30 am the first phalanx of police in riot gear formed into small snatch squads and—some wielding batons—waded into the crowd. There was no official baton charge, although one was threatened, but the charges by the riot-trained police were highly effective in driving the pickets back.

An arrest on the picket line outside the Messenger printing works

Hugh Routledge

### Thieving: the City's neglected growth industry

ONE GO-GO industry that the City hasn't been paying too much attention to lately is theft. A whopping £750,000 in cash from wallets and handbags and property was lifted from City offices in the last 12 months. Next year the toll is expected to go higher.

The Crime Prevention Office of Old Jewry police station recently launched an extensive leaflet campaign aimed at alerting City workers to the dangers of leaving their bags or briefcases lying around. The signs have gone up in every wine bar and pub in the City. Even so, the police officers in the City are less than optimistic that their efforts will produce any results.

"Petty theft from offices in the City accounts for 43 per cent of City crime," says Inspector David Cook of the Wood Street station. "But all our efforts to make people more conscious about their property haven't had much effect." Wood Street spent £3,000 earlier in the year on a poster campaign, but says reports of petty theft haven't diminished at all since then.

The officers also complain that City workers aren't making their jobs any easier. "Many people think it's a waste of time to report a theft," said a duty officer at Wood Street. "We can't always find the property, but we are successful on occasions."

The police point out that if victims consistently report their crimes they can often establish a pattern of thievery which may lead to an internal employee or frequent visitor to the building.

I discovered, to my detriment, that my offices on Cannon Street have become a prime hunting ground for a particularly sophisticated group of thieves. Recently, both my wallet and that of a colleague were stolen from our rooms. Before we were even aware of the theft, we received phone calls from a person who said he worked for National Westminster Bank.

We were told that a nearby NatWest cash machine had swallowed up our cash dispenser cards because a thief had tried to use the card without knowing the right code number. In my case, the caller did not ask for my code number, but said he would notify the other credit card companies of my loss — all the while commiserating with me about the rising rate of crime in the City.

When new credit cards didn't arrive in the post, as promised, I called the companies and the bank who said they hadn't heard of my loss. A call to NatWest yielded a result which, in retrospect, makes sense. "It would be very unusual for the bank to ring a customer," said a legitimate NatWest official yesterday. If my card had been apprehended, the bank would have written to me, he said.

It now seems likely that the bogus phone call was an attempt to prevent me from reporting the loss of my cards for a few days. Luckily, they weren't used by the thief, but he clearly had time to try.

In my colleague's case, the fake bank clerk phoned at 6.15 pm on a Friday evening and demanded his personal identification number in order to facilitate a swift report of the theft. Clever enough to see through the ruse, he asked for a phone number to ring the clerk back.

The number my colleague was given was bogus.

### The marathon way of losing weight in China

AS THE over-eating season of fast approaches, many a girth watcher will envy David Griffiths, who is stuffing himself with 7,000 calories a day and still managing to lose weight.

The envy, however, will probably last no longer than it takes to find out how Griffiths, 43, is doing it (he is the man who is attempting to run the 2,500 miles from Peking to Hong Kong at 50 miles a day in time for Christmas).

Weekend Brief reported Griffiths's plans in August when Hong Kong business leaders were busy raising about £150,000 sponsorship for his run — in aid of sport for the disabled in the Crown Colony.

Griffiths, who when general manager of Wembley Stadium introduced Elton John and Evel Knivel to the sacred turf, went to Hong Kong in 1979 to build and run the Jubilee Sports Centre, acknowledged as one of the best in the world. Latest VIP visitors, just before Griffiths left for Peking, were British Foreign Minister of State Richard Luce, and the soccer star Pele.

In China, however, Griffiths is the VIP.

Local runners and cyclists turn out to encourage him on his way at every stage. To last the course he is trying to run at a steady 6 mph for eight hours a day so one phrase he has had to perfect is the Mandarin for "do you mind slowing down a bit?"

The Chinese are really looking after him, providing breakfasts and dinners every day. That is in addition to massive amounts of high energy food, glucose and salt drinks he consumes whenever he stops for a breather.

They have also been giving him acupuncture to help with an injured left knee, although what seems to have had most benefit is an injection of hydrocortisone straight into the joint from a doctor friend on holiday from Hawaii to encourage Griffiths along part of the way.

The knee injury is so bad that Griffths is now saying it will probably finish his career as an international class veteran marathon runner.

Even the November earthquake in Shandong Province, which killed 34 people, has not stopped him. Griffiths was not far from the epicentre, where the 23-second quake registered 7.5 on the Richter scale. His mobile home was badly shaken, scattering its contents, but Griffiths just ran on over the trembling earth.

He is now in the critical stage of the run, facing chronic fatigue and weight loss. He was 10 st 4 lb when he started and thin as a rake, but if he loses much more than half a stone he will start plundering a special supply of extra high protein, high energy food, as well as taking in those daily courses of Chinese delicacies.

Contributors:
Nick Garnett
Carla Rapoport
Ian Hamilton Fazey

## BUILDING SOCIETY RATES

| | Share a/cs % | Sub'pn shares % | Others % | |
|---|---|---|---|---|
| Abbey National | 7.25 | 8.25 | 9.00 | 2-year Bondshare, 90 days' notice and penalty |
| | | | 8.25 | High Option, 90 days' notice. No penalty |
| | | | 8.25 | 7 days' notice. No interest penalty |
| Aid to Thrift | 8.50 | — | — | |
| Alliance | 7.25 | 8.25 | 9.00 | 2 years, 3 months' notice/penalty |
| | | | 8.50 | 28 days' notice. Imm. withdwl., 28 days' penalty |
| | | | 8.25 | 7 days' notice. No interest penalty |
| Anglia | 7.25 | 8.25 | 8.75 | 3-year Bond. No notice. 3 months' penalty |
| | | | 8.50 | Capital Share. No notice. 1 month's penalty |
| Bradford and Bingley | 7.25 | 8.25 | 8.50 | 1 month's notice or on demand |
| | | | 8.25 | 7 days' notice |
| Britannia | 7.25 | 8.25 | 8.25 | 7 days' notice, 8.50 2 months' notice |
| Cardiff | 8.00 | 8.75 | — | |
| | *8.50 | — | — | * Share account balance £10,000 and over |
| Catholic | 7.50 | 8.50 | 8.50 | 6-month deposits. Monthly income |
| Century (Edinburgh) | 7.75 | — | 8.75 | 2/3 years. Details supplied |
| Chelsea | 7.25 | 8.25 | 8.75 | Immed. withdrawal (int. pen.) or 1 mth.'s not. |
| Cheltenham and Gloucester | 7.25 | 8.25 | 8.25 | Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded |
| Citizens Regency | 7.50 | 9.00 | 8.40 | plus account no penalty. Double option 8.50 |
| City of London (The) | 7.50 | 8.25 | 9.00 | 6 months' notice—no penalty |
| Derbyshire | 7.25 | 8.50 | 9.00 | 8.25 1 month's not., 7.75-8.60 3 months' notice |
| Greenwich | 7.25 | 8.50 | 8.50 | (max.) at 28 days' notice/penalty |
| Guardian | 7.50 | — | 8.75 | 3 months. £1,000 minimum |
| Halifax | 7.25 | 8.25 | 8.25 | Xtra Interest, 7 days' notice, no penalty |
| | | | 8.50 | Xtra Interest Plus, 3 months' notice no penalty |
| | | | 9.00 | High Growth Bond, 3 months' notice/penalty |
| Heart of England | 7.25 | 8.50 | 9.00 | 8.25 5-day Notice Account. |
| Hemel Hempstead | 7.25 | 8.50 | 9.25 | 2 years, 8.75 3 years, 8.50 3 months |
| Hendon | 8.25 | — | 8.75 | 3 months |
| Lambeth | 7.50 | 8.75 | 9.10 | 28 days plus loss of interest, 8.25 3 mths. |
| Leamington Spa | 7.35 | — | 8.50 | Top Ten. 8.75 Lion Share |
| Leeds and Holbeck | 7.25 | 9.00 | 9.00 | 2 years with monthly int. 8.50 1 month's pen. |
| Leeds Permanent | 7.25 | 8.25 | 8.50 | Ex. Int. £500 min., 28 days' notice/penalty |
| Leicester | 7.25 | 8.25 | 8.25 | 3 months |
| London and Grosvenor | 7.75 | | 8.25 | High Yield (1 month) |
| London Permanent | 7.75 | — | 8.75 | 1-year term. Imm. wdl. with loss of 1% bonus |
| Midshires | 7.25 | 8.25 | 8.25 | 7 days' notice, £500 minimum |
| Mornington | 8.50 | 8.50 | — | |
| National Counties | 7.25 | 8.55 | 9.10 | 28 days' notice £500 minimum |
| National and Provincial | 7.25 | 8.25 | 8.50 | 1 month's notice plus monthly income |
| Nationwide | 7.25 | 8.25 | 8.75 | Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice |
| Newcastle | 7.25 | 8.50 | 8.75 | 4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty |
| New Cross | 8.25 | — | 8.25-8.75 | on share accounts, depending on minimum balance over 6 months |
| Northern Rock | 7.25 | 8.50 | 8.25 | 7-Day Moneyspinner, 7 days' not. wdl. no pen. |
| | | | 8.75 | Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn. |
| Norwich | 7.25 | 8.50 | 8.50 | City Account, immed. withdls. with no penalty |
| Paddington | 7.75 | 9.25 | 8.75 | 1 mth.'s not., or 1 mth.'s int. loss on sums wdn. |
| Peckham | 8.00 | — | 8.25 | 1 month, 9.00 3 months' notice (no penalty) |
| Portman | 7.25 | 8.75 | 8.75 | Two months' notice, 8.25 no notice |
| Portsmouth | 7.55 | 9.05 | 9.40 | 5 years, 9.00 6 months, 8.50 1 month |
| Property Owners | 7.75 | 9.00 | 8.75 | 28 days, 8.75 3 months, 8.50 monthly income |
| Scarborough | 7.25 | 8.50 | 8.25 | Money Care and Free Life Insurance |
| Skipton | 7.25 | 8.50 | 8.25 | £1,000-£4,999 Sovereign, no penalties, no notice |
| | | | 8.50 | £5,000+, no penalties, no notice |
| Stroud | 7.25 | 8.50 | 8.85 | 3 months, 8.25 1 month no penalty with notice |
| Sussex County | 7.25 | 9.00 | 8.25 | 7 days' notice, 8.50 Sx. Sh., 7.50 Sh. a/c 2,500+ |
| Sussex Mutual | 7.50 | 9.00 | 8.75 | 1 months notice/immed with 28 days penalty |
| Thrift | 8.15 | — | 9.15 | 3 years' term. Other accounts available |
| Town and Country | 7.25 | 8.25 | 9.09 | 2 yrs. ½-yrly. int. Monthly income wdl. facility |
| | | | 8.50 | 28 days' notice or imm. withdrwl. with penalty |
| Wessex | 8.30 | — | — | |
| Woolwich | 7.25 | 8.25 | 8.25 | 7 days' notice |
| | | | 8.50 | 90 days' notice or on demand (interest pen.) |
| | | | 9.00 | 2-year term, or 90 days' penalty (interest pen.) |
| Yorkshire | 7.25 | 8.25 | 8.50 | Diamond Key, 60 days' penalty or 3 months' notice without penalty |

All these rates are after basic rate tax liability has been settled on behalf of the investor.

# Chloride moves back to midway profit with £3m

AFTER PULLING back to break-even in the year ended March 31 1983, the Chloride Group has made further progress and moved into profit in the first half of the current year. Taking into account heavier exceptional charges and lower interest, the profit comes to £3.1m, compared *with a loss of £900,000 in the* corresponding period.

Chairman Sir Michael Edwardes says trading conditions in most of the markets remain highly competitive, and the improved performance reflects intensive management action over the past two years.

In view of the slowness of the economic recovery in the UK, Sir Michael emphasises that the group's progress remains dependent on continued cost reductions and other firm management action to improve competitiveness. However, America is making encouraging progress and overseas seems *likely to con*tinue its good performance.

For the half year ended September 30 1983 sales totalled £176.9m, against £178.1m, but they represent a £12m improvement when account is taken of businesses divested during that year.

Operating profits increased by 40 per cent to £9.9*m*. Exceptional debits were up to £1.8m (£600,000) representing redundancy and restructuring costs in the UK, and interest costs were down to £5m (£7.7m) following continued reduction in borrowings and lower interest rates.

Sir Michael says the overseas operations are still performing well, achieving a satisfactory increase in profits. Australia in particular benefited from management actions to reduce *costs and increase efficiency.* There was a significant improvement in American operations and profits were substantially better than in the same period last year.

A strike at the standby power battery factory at Manchester adversely affected the trading *profit of the European opera*tions, although the overall results of the region were an improvement over last time.

There have been improvements in productivity throughout the group but there is still scope for further increases, particularly in the UK.

In some countries benefit has come from the introduction of new products, most notably the Torque Starter maintenance-free automotive battery. It accounts for an increasingly significant *proportion of the group's auto*motive volume and profits.

After overseas tax £4.7m (£4.2m) and minorities £1m (£1.2m) and, last year, an extraordinary credit of £1.9m, there is a net attributable loss of £2.6m (£4.4m).

All dividends on the 7½ per cent cumulative convertible preference shares up to June 30 1983 continue to be deferred as is the payment due at the end of *this month.*

See Lex

## DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Brengreen | int | 0.7 | Jan 23 | 0.45 | — | 1 |
| Canvermoor | | 2.44 | — | — | 3.64 | — |
| Dundee & London | | 2.85 | Jan 20 | 2.75 | 4.35 | 4.25 |
| Fine Art | int | 1.1 | Jan 14 | 1.1 | — | 3 |
| Hunslet | | 8.5 | — | 8.5 | 8.5 | 8.5 |
| Leopold Joseph | int | 1.88 | Jan 10 | 1.88 | — | 11.25 |
| Polly Peck | | 19 | Feb 27 | 9 | 28 | 15.3 |

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

# Polly Peck surges to £25m and hoists final

PROFITS OF Polly Peck (Holdings) continued to surge forward in the second six months of its 1982-83 financial year. Following the half-time advance from £3.06m to £8.07m, the group made £24.69m pre-tax for the 53 weeks to September 30, against £10.5m in the previous year. Turnover leapt from £23.92m to £62.22m.

The final dividend is being hoisted from 9p to 19p net for a total payment of 28p per 5p share, compared with 15.3p. Earnings per share have soared from 146.3p to 283.3p, after a tax *charge of £4.02m (£0.17m credit).*

The group has amended its accounting policy in respect of translation of foreign currencies in order to accord with SSAP 20. Last year's results have therefore been restated to reflect this change.

During the year the group's *activities have expanded con*siderably and now encompass agricultural and related operations, pharmaceuticals, mineral water bottling, consumer electronics and textiles. This thereby reflects the board's policy to establish Polly Peck as a more widely based manufacturing and *trading group.*

While the group's expansion in Northern Cyprus has continued, the past year has also seen acceleration of its expansion into the Turkish mainland, which the board believes is of great importance given Turkey's agricultural and economic potential.

The board is confident of the continued and profitable growth *of the* group's existing and projected activities.

Although it is still intended to merge Wearwell and Cornell Holdings, continued growth in activities during the year has so far inhibited the companies and their advisers from proceeding with this operation on a suitable basis.

The group's profits include its share of results of Cornell, in which it holds a 32.6 per cent interest.

Adjustments of £5.2m (£2.4m) *have been charged against* group reserves. These comprised £3.03m (£1.51m) arising on the use of average exchange rates on the year's results and £2.17m (£0.89m) relating to net investments overseas.

See Lex

## Leopold Joseph

Pre-tax profits of **Leopold Joseph Holdings** were somewhat lower in the six months to September 30 1983, compared with the corresponding period last *year, following a smaller contri*bution from its Guernsey subsidiaries.

However, the London operations of this investment holding company achieved excellent results due to increased activity in foreign exchange and investment services.

The net interim dividend is maintained at 1.875p per £1 share — last year's total was 11.25p on £670,000 net profits.

# Fine Art strengthens its hand with £13m purchase

BY CHARLES BATCHELOR

Fine Art Developments, Britain's largest maker of greetings cards, is to take over *Selective Paper Group, another* card maker, for £13m in cash and shares.

This was announced yesterday *in a statement containing Fine* Art's interim results for the half year ended September 30 1983, showing the company still in profit with £155,000 pre-tax. This compares with a loss of £195,000 for the corresponding period but that had been turned into a profit of £1.66m by the year end.

This deal will take Fine Art into a part of the market where it was not previously well represented supplying cheaper greeting cards to supermarkets. It will also strengthen its hand against U.S. competition in the home market from Hallmark and American Greetings.

*Mr Donald Barnes*, deputy chairman at Fine Art, said: "We got together with Selective and it seemed a pretty good idea. As a private company they felt they had a choice of joining us or going for a flotation.

"We are always interested in looking at a company which is complementary. But this is a fair-sized acquisition for us and will take a day or two to digest."

Selective, a Bradford-based company, made a pre-tax profit of £1.5m on turnover of £11.6m *in the year ended March 5 1983* and had consolidated net tangible assets of £4.5m at that date. It has forecast a pre-tax *profit of* not less than £2m this year.

Fine Art has agreed conditionally to pay £6m in cash and to issue 6m new ordinary shares and 8.6m new deferred ordinary shares, convertible into ordinary on January 1 1987 on a one-for-one basis.

Before that date the deferred shares will not be listed or carry voting and dividend rights. At Fine Art's unchanged share price *of 48p yesterday the share* element of the deal is worth £7m. Selective employs about 350 people making greetings cards, wrapping paper and stationery products and also does specialised commercial printing.

Mr Keith Chapman, 41, chairman and chief executive of Selective, will join the Fine Art board and become joint manag*ing director.* Mr David Booth, 43, production director, will also join the Fine Art board. These two men together with three or four other directors are the founders and owners of Selective.

In the first half Fine Art's *sales advanced from* £34.07m to £38.51m and its trading profit from £983,000 to £1.25m. After tax £39,000 (credit £49,000) and last time £110,000 extraordinary debits, the attributable profit came out at £116,000 (loss £256,000). The interim dividend is maintained at 1.1p net per *share at a cost of £643,000.*

The directors report that the increase in sales has been held in the second half, and they are *confident that a satisfactory* outturn for the year as a whole will be achieved.

Fine Art shareholders will be asked for their approval to the deal. Fine Art hast been advised by County Bank and Selective by Charterhouse Japhet.

# Berger lifts stake in Stanley to 16%

By Charles Batchelor

Berger Jensen & Nicholson, the paints group, has increased its holding in A. G. Stanley, the "Fads" home decorating retailer, to 16 per cent with the purchase of a further 175,000 shares.

Berger, which is part of the West German chemicals group Hoechst, said it had no plans to buy any more shares and no intention of ultimately making a bid.

Mr Michael Lowe, Berger's finance director said: "When Stanley came back from suspension we thought its shares were rather low so we put in an order to pick up a few at a low price. *We trade with them.* There has been no particular pattern to our buying but we have been interested in their share price."

Stanley announced at the end of last week that it was pulling out of merger talks with Jacos, another DIY retailer. Its shares, which had been suspended since mid-September, *fell sharply.*

Mr Don Brown, Stanley finance director, said: "I think they were doing no more than buying up shares which were sloshing round in the market to protect their investment."

Berger first took an 11 per cent holding in Stanley in 1979 when it sold its retail stores in return for Stanley shares. It has bought a further 5 per cent over the past four years. It is a major *supplier of paints and sundries* to Stanley.

Berger has reported the purchase of 50,000 shares to the Stock Exchange and since bought a further 125,000. The shares were bought in the 40-45p range. They rose 2p to 46p yesterday.

## Computer merger

Micro Business Systems is to acquire *Alveronic Computer* Systems for a total purchase consideration of £3.6m to be satisfied by the issue of MBS shares, part of which will be placed on behalf of the vendors.

Alveronic, a leading DEC authorised computer distributor based in Hull, had a turnover for the year ending September 30, 1983 of £2,813,000 and a pre-tax profit of £338,000 (£134,000).

Following the merger new arrangements, which have already been agreed, will reduce the Directors' remuneration. If such arrangements had been *in force during 1983-84, Alveronic's* pre-tax profits would have increased to £404,000.

MBS is a DEC authorised terminal distributor in the UK and has a large micro computer division. Turnover for the six months ended June 30, 1983 totalled £6,763,000 with trading profits of £850,000.

# Three more companies come to USM with £15.4m valuation

THREE MORE companies yesterday announced their intention of coming to the USM, giving all the appearance of a last minute pre-Christmas rush to the stock market. At respective placing prices their combined market capitalisation is £15.4m.

Brokers Coni Gilbert & Sankey *are placing 944,000 shares in* **High-Point Services Group** at 137p each, capitalising the company at £5.2m. Of the shares being placed, 360,000 are being sold by existing shareholders, and 584,000 are new shares, which will raise £700,000 net of expenses. This will be sufficient to wipe out the group's borrowings, and leave it holding net cash to provide additional working capital.

*High-Point provides a range of* professional advisory financial and management services to the international contracting, the offshore oil and gas and allied industries.

It has enjoyed a 51 per cent compound growth rate in pre-tax profits over the five years to May 31 1983, although that figure conceals a drop in profits in 1980. In the year to May 1983 High-Point made profits of £581,000 *on group turnover of* just over £3m. It has a 50/50 joint venture in the United Arab Emirates, and this reported turnover of £1.2m last year.

No profit forecast is made, although the chairman, Mr Ian Reeves, says "the current level of work in progress is higher than at any time in the past." He will be the largest single shareholder with over 37 per cent of the enlarged equity. Dealings will begin on December 9.

A day earlier dealings will start in **MME Facilities**. Formed only three and a half years ago, the company provides a wide range of post-production facilities including editing, copying and cassetting for broadcast television and video production companies.

The managing director Mr Mike Mansfield, formed MME in anticipation of the increased demand *for technical post pro*duction facilities as a result of the introduction of Channel 4 and cable and satellite TV.

*Some* 22 per cent of the enlarged capital is being placed by brokers James Capel at 40p each, of which 1.4m are new shares, and 600,000 are existing shares being sold by Greenstar Leisure and Mike Mansfield Enterprises in equal proportions.

Following the placing these *two companies will hold a com*bined stake of about 54 per cent in MME. The share placing will raise £460,000 for MME after expenses, which, says the chairman, Mr Gordon Currie, "will be used to provide additional working capital to finance expansion."

Adjusted profit of MME in the year *to June 30 1983* reached £186,866 before tax on turnover of £1.06m, and the forecast profit for the current year is not less than £300,000. The placing prices values the shares at a fully taxed prospective multiple of 25.6, and gives a market capitalisation of about £3.7m.

***Tyne Tees Television Holdings*** announces the placing on the USM of 10 per cent of its A non-voting shares at 135p each and says dealings in the whole of the share capital should start on December 13. Brokers were Wise, Speke.

Half of the shares placed come from Trident *Television, the* former parent company of Tyne Tees. It retained a 25 per cent stake of which 5 per cent was intended to be offered to Trident's own shareholders when Tyne Tees sought a quotation.

At the placing price, Tyne Tees is capitalised at £6.48m. The historic *PE of 19.5p is in line* with the sector.

Tyne Tees made pre-tax profits of £2.29m in the year to September 30 1983, compared with £2.72m. The high Channel 4 subscription more than wiped out a £2.3m increase in operating profit.

# Brengreen £5m waste disposal purchase: profits rise by 24%

BY WILLIAM DAWKINS

BRENGREEN (HOLDINGS), the *commercial cleaning company,* has announced an agreed bid worth £5.5m for White Cross, a Manchester-based manufacturer and operator of waste compactors.

The takeover comes a month after Brengreen's £35m bid for Sunlight Service Group (the laundry and linen hire company) failed, apparently due to lack of institutional support.

At the same time Brengreen announced a 24 per cent increase in first-half 1983-84 pre-tax profits and revealed that the costs incurred in the abortive bid for Sunlight would be no *more than £600,000.*

The White Cross group includes two subsidiaries: Wastedrive (Manchester), which compacts and disposes of waste collected by Greater Manchester Council; and White Cross Equipment, which designs and assembles waste compactors for *sale throughout the UK.*

In the year to April 30, White Cross made profits of £507,844, before tax, on a turnover of £2.2m. Net tangible assets at that date were £629,805.

Brengreen has financed the purchase by issuing 6,853,583 ordinary shares of 10p each at 81p, which represents 14 per cent of the enlarged capital.

Since White Cross wished to receive the consideration in cash, Morgan Grenfell has *placed the shares issued with* 60 institutions, which include its *own clients* and those of Brengreen's brokers, Capel-Cure Myers.

Brengreen said yesterday that White Cross *will complement its* UK cleaning operations, where the ability to provide a waste compaction service will be valuable.

The group's results for the six months to October 15, show pre-tax profits £804,000 on turnover up 33 per cent to £20.9m.

The group acquired 910,000 Sunlight shares at a cost of £2.3m during the take-over attempt, the present market value *of which is about* £2m. The actual cost of the bid will be shown as an extraordinary item in the full year report.

*Interest charges were down* slightly from £379,000 to £359,000, while distributable profits rose from £513,000 to £658,000. The interim dividend is increased from 0.45p to 0.7p net, and stated earnings per share, adjusted for the one-for-four rights issue last August, rose from 1.51p to 1.74p.

### ● comment

After an expensive tangle with Sunlight, Brengreen has set its *sights rather lower* and settled for a less demanding waste compaction company, which seems to dovetail quite nicely with its own activities. But even this exercise does not come cheap. *Nearly 90 per cent of the pur*chase price is goodwill, which might appear a little top-heavy, even in a service industry, and the bid puts White Cross on a historic fully-taxed multiple of 22.5. Brengreen's net margins have slipped slightly to 3.8 per cent of turnover, but the group attributes this to a more conservative policy over writing down marketing and development spending. Nevertheless, the 24 per cent increase in pre-tax profits was less than the market had expected, so the shares slipped 8½p to 80p, where Brengreen is capitalised at £38.7m. In the current half, the group looks in line for at least four NHS hospital cleaning contracts *and is tendering for eight local* authority street cleaning contracts, pointing to a healthier upturn to perhaps £2.7m pre-tax for the year.

# Eagle Star commends BAT's £913m offer

Eagle Star Holdings, the insurance group, yesterday formally recommended its shareholders to accept an offer for the company worth £913m which *has been made by BAT Indus*tries, the tobacco group.

The Eagle Star board says that it has "no doubt" that in the absence of a higher offer from Allianz Versicherung, West Germany's largest insurer which has bid £900m for Eagle Star, "the increased offer from BAT *is the better offer in every res*pect and should be recommended to shareholders."

It adds that, "this opinion has been reinforced by the meetings that have already taken place between the managements of Eagle Star and BAT, which have *demonstrated a considerable* degree of compatability and agreement on future strategy."

In its letter to shareholders Eagle Star *says that the* BAT offer provides a partial alternative consideration in the form of loan stock and capital notes for the benefit *of* shareholders wishing to defer or reduce their capital gains tax liability.

"Allianz has indicated that it might similarly be prepared to provide an alternative consideration comprising debt instruments. Under both offers, Eagle Star shareholders are entitled to receive and retain the interim dividend of 8p net per share in respect of the current year payable on January 13, 1984."

Allianz is offering 650p per share for Eagle Star and BAT is offering 660p per share. Eagle *Star's shares rose 8p to 698p in* yesterday's trading.

BAT yesterday sent out its offer document detailing its revised offer which has been increased from 575p to 660p per share.

Advisers to Allianz, Morgan Grenfell, the merchant bank, has been planning the next move in the takeover campaign for most of this week. It will *announce its plans on Monday* on whether it intends to raise its bid.

In the Stock Market there is speculation that Allianz will raise its bid but then will concede if BAT decides to raise its offer again.

## Virani cancels Belhaven purchase

Virani, *the hotels and property* group, has cancelled the purchase of 190,000 of the shares it bought in Belhaven Brewery in response to a request from the Take-over Panel.

Virani still holds 5.19m shares, or 23.87 per cent of the Belhaven equity.

*Stockbrokers* Astaire & Co bought the shares in two lots—of 190,000 and 2.12m. The Take-over Panel rules limit purchases between 15 and 29.9 per cent of a company's equity to 5 per cent tranches unless they are being bought from one seller.

*Virani has cancelled* the purchase of the smaller of the transactions.

## Riley Leisure expands

Riley Leisure, billiard table maker and snooker club owner, *has acquired the capital of Call* Inns (Scotland), which owns two recently established snooker clubs in Scotland.

The two clubs have 39 snooker tables and operate from leasehold premises situated in the area of Glasgow and have leases which expire in the years 1990 *and 2007 which together* are valued at £57,000.

The consideration is to be paid in six instalments—the first payable on completion is £124,000 to be satisfied by the issue of 35,389 ordinary shares of 10p each fully paid and the payment of £62,000 in cash. Further instalments are *payable based upon the average* net profits of the company for the five years to December 31 1988.

## Eng. & Caledonian

English & Caledonian Investment, the city venture capital organisation, has taken a £910,000 stake in Britannia Security Group, which Mr Ralph Kanter, *formerly group manag*ing director of Alpine Holdings, has just joined as group managing director. English & Caledonian now owns 40 per cent of the Britannia equity.

# Bunzl pulls out of Bemrose

BY CHARLES BATCHELOR

Bunzl, the paper and packaging group, has sold its 13.8 per cent *holding in Bemrose*, the Derby-based security printer. It acquired the shares in July 1982 in an unsuccessful attempt to gain control of that company.

Stockbrokers Hoare Govett placed the holding in tranches of between 35,000 and 350,000 shares with 20-25 institutions, *including both new and existing* Bemrose shareholders.

The shares were placed at 185p net of dealing expenses compared with the 147.25p purchase price to give Bunzl a profit of £600,000 before capital gains tax on the deal.

Mr James White, managing director of Bunzl, said: "This gives us a useful inflow of cash."

Bunzl would have been free to resume its bidding for Bemrose last July but decided against this.

"*The price we would have had* to pay if we had bid again would have been far too high," he said. "We would have had to offer considerably more than their current price against the opposition of their management and we did not see that upside in their performance. We can put the money to better use." Bunzl launched an unsuccessful dawn raid on Bemrose on May 18 1982 but ran into opposition from the board and from Mr Robert Maxwell's British Printing and Communication Corporation which acquired nearly 28 per cent.

Bemrose's shares traded at 207p yesterday while Bunzl was at 393p.

# Steel Bros. £3.3m Canadian deal

Steel Brothers, the UK-based overseas trader, has completed a deal worth C$6.04m (£3.34m) to acquire the bulk of the shares outstanding in its subsidiary Steel Brothers Canada.

The deal has been transacted through Steel Brothers' Canadian operating subsidiary, Steel Brothers Canadian Holdings. Canadian Holdings has bought 523,806 shares in Steel Brothers Canada at C$11.53 (£6.37) per share, increasing Steel Brothers' interest from just over 80 per cent to 97.6 per cent. Payment was made in cash on November 30, 1983.

Steel Brothers Canada is engaged in rock products and construction supplies, operating in Western Canada and the U.S. In 1982, *operating profits* were C$2.39m (£1.32m), of which C$0.419m (£0.23m) was attributable to the shareholding just acquired.

On the basis of the balance sheet at end December 1982, the book value of assets attributable to the shares acquired was C$8.165m. *This does not take in* liquidated damages already received *on* a terminated contract from Anaconda Copper. On a post-tax basis, the attributable part of these damages comes to an estimated C$1.732m (£0.96m).

It is intended that participants in Steel Brothers' executive staff share scheme should be offered proportionate rights to take up some of the recently acquired shares for cash. The price set is C$11.53 per share, the amount paid by Steel Brothers for the *holding.*

# Smith & Nephew U.S. buy

Smith & Nephew has acquired **Rolyan Manufacturing Company Inc**, *of Menomonee Falls, Wis*consin, for an undisclosed sum. Rolyan is mainly involved in the manufacture of orthopaedic healthcare products, but *also* produces some specialised marine flotation equipment.

Smith & Nephew operates in *healthcare and consumer* products in 43 countries, and it is intended that Rolyan medical products should be exported through the Smith & Nephew network. Some Smith & Nephew products are also to be marketed through Rolyan in the U.S.

The merger, says Smith & Nephew, is part of a continuing programme to expand its North American interests; this is the company's second U.S. acquisition, the first, Anchor Continental, was acquired in 1979 for $18m.

*Anchor* suffered a 26 per cent drop in profits in the last full year, but has been the recipient of heavy capital expenditure, and a better *performance is expected* this year.

## Lon. and Edinburgh

London and Edinburgh Trust has received tenders from 1,232 applicants, including 24 employees, in respect of its offer for sale by tender of 6.62m ordinary 10p shares at a minimum price of 150p each.

*Applications from employees* have been accepted in full at the striking price. All applications at 155p per share and above will be accepted in full and allotted at the striking price, as will all applications at 150p for up to 300,000 shares. Applications in excess of 300,000 shares will be accepted to about 97 per cent of the amount applied for.

# Results due next week

**Trafalgar House** appears to be going from strength to strength. *Construction both in the UK* and overseas has a strong order book, while shipping and hotels are improving and benefiting from the exchange rate. Property is expected to be the only dull division when Trafalgar reports final figures on Thursday. Analysts expect pre-tax profits in the region *of £78m compared* with £65.6m. A 15 per cent increase in the final dividend to 8.3p was forecast at the time of *the Trafalgar bid for P & O*—a battle which might resume next year. There might be a slight contribution from oil and gas, but this will feature much more strongly in the current year.

When **Ranks Hovis McDougall** announces its full year figures to September 4 on Tuesday, the market's attention will be primarily directed to the scale of losses in bread baking. Though the figures have never been formally disclosed, losses last year were certainly formidable. This past year should have been a good deal better, but bread baking should still punch a sizeable hole in the profit figure. The grocery side should have made headway, and in cakes, Mr Kipling is still making exceedingly good headway. There is a question mark over the U.S., *given the pasta war in progress,* but interest charges should be substantially down after recent restructuring. Forecasts for pre-tax are narrowly bunched around the £41m mark, against £34m last year.

A strong U.S. recovery is expected to help **BOC** to pre-tax *profits of around £95m for the* year to September, compared with £102.6m last year. The U.S. business Airco revealed improved third quarter figures, especially from industrial gases. There will be some loss elimination from the UK welding business and a slight improvement *from welding in the U.S. which* made a loss at the interim. The health care division is growing strongly, presently contributing around 28 per cent of trading profits. The figures, due Thursday are expected to reveal a total net dividend of 6.25p, up from 5.74p net.

Pub-goers tend to drink more lager than bitter when the weather gets hot. Since lager constitutes 40 per cent of Bass sales, against 33 per cent for most other brewers, the group should have been an above average beneficiary of the blistering summer. That will be *the chief reason behind a widely* expected increase in pre-tax profits from £136.7m to around £167m for the year to September 30. The group, which announces its results on Thursday, should also record a substantial profits increase at the Coral betting *subsidiary, where an improve*ment in disposable incomes has led to higher levels of business, and erratic weather at the beginning of the second half has put bookies at an advantage by upsetting the form book. On that basis, the full year's dividend should be up by at least *10 per cent from last year's* 10.1p net.

Since 40 per cent of Ferranti's sales are to the Ministry of Defence, it is more exposed than other electronics companies to any pressures on defence spending. For this reason, it has been increasing its efforts to export and the City will be looking closely for the results of this policy when the group announces its figures for the six months to *September 30 on Monday. How*ever, it is benefiting from the reappraisal of the Navy since the Falklands conflict and the Scot*tish Group's Tornado* contracts should ensure that profits growth there is at least maintained. *Meanwhile, there is expected to* be some loss elimination at *Ferranti Engineering and GTE.*

The consensus is for an improvement in group pre-tax profits from £11.8m to £14.5m, with the dividend up from 1.8p to perhaps 2.2p net.

**Hanson Trust**'s results for the year to September 30, due to be announced on Wednesday, will include five months' trading from the UDS acquisition. This is usually UDS's weakest period, but strong retail sales figures and the first impact of its new management give plenty of scope for improvement. The upturn in the house building industry *should benefit Butterley, while* margins should have improved as the subsidiary has run down its brick stocks. Meanwhile, Carlsbrook and Endicott in the U.S. are expected to produce a profits improvement in line with the upturn in consumer spending there. On this basis, the City is looking for an increase in group pre-tax profits from £60.4m to perhaps £85m, with the total dividend up from 4p to 4.8p as forecast in the UDS takeover document.

**Vaux Breweries** and **Greenall Whitley** whet the appetite with final figures on Tuesday: *Pilking*ton *Brothers reveal* interims on Wednesday; Saatchi and Saatchi follows with its full year figures on Thursday, and Lake & Elliot reveals its final figures on *Friday.*

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| Archimedes Investment Trust | Tuesday | 3.7 | 4.7 | 3.7 |
| Avon Rubber | Wednesday | 1.0 | — | 1.0 |
| Baggeridge Brick | Tuesday | 1.25 | 3.125 | 1.5 |
| Bass | Thursday | 2.66 | 7.44 | 2.93 |
| Baynes, Charles | Monday | 0.25 | 0.6 | 0.3125 |
| BOC Group | Thursday | 2.6 | 3.14 | 2.73 |
| Brown, Matthew | Monday | 1.35 | 5.55 | 1.6 |
| Carr's Milling Industries | Friday | 1.75 | 3.5 | 1.75 |
| City Site Estates | Tuesday | 0.25 | 0.25 | 0.29 |
| Cooper, Frederick (Holdings) | Thursday | 0.5 | 1.05 | 0.5 |
| *Crystalate Holdings* | Wednesday | 0.875 | 1.54 | 1.26 |
| Devenish, J. A. | Wednesday | 2.25 | 7.25 | 2.25 |
| Dubilier | Monday | 0.7809 | 0.3926 | 0.2 |
| Greenall Whitley | Tuesday | 1.7089 | 1.9864 | 1.7943 |
| Hanson Trust | Wednesday | 1.66667 | 2.33333 | 2.0 |
| Hardanger Properties | Wednesday | 2.8 | 7.0 | 2.8 |
| Keystone Investment Co. | Wednesday | 4.0 | 6.0 | 4.0 |
| Leeds Group | Tuesday | 1.25 | 2.5 | 1.5 |
| Metamec Jentique | Thursday | 0.5 | — | — |
| Ranks Hovis McDougall | Tuesday | 1.524 | 2.333 | 1.524 |
| Reliant Motor | Friday | — | — | — |
| Romai Tea Holdings | Thursday | — | 22.5 | — |
| Saatchi and Saatchi | Thursday | 2.33333 | 3.46666 | 2.82 |
| Sidlaw Group | Thursday | 2.5 | 9.5 | 5.0 |
| Speyhawk | Thursday | 2.0 | 5.0 | 2.0 |
| Stenhouse Holdings | Thursday | 2.0 | 3.5 | 2.0 |
| *Trafalgar House* | Tuesday | 3.5 | 3.7 | 4.0 |
| Triofla | Friday | — | 6.125 | — |
| Vectis Stone | Thursday | 0.6 | 1.2 | 0.6 |
| Williamson Tea Holdings | Thursday | — | 12.5 | — |
| Wolverhampton and Dudley Breweries | Wednesday | 1.8 | 4.25 | 2.3 |
| **INTERIM DIVIDENDS** | | | | |
| Associated British Engineering | Wednesday | 0.325 | 0.325 | |
| Atkins Brothers (Hosiery) | Monday | 1.33 | 3.65 | |
| Birmingham Mint | Monday | 3.0 | 7.5 | |
| Braham *Millar* | Friday | 0.3 | 0.4 | |
| Bremner | Monday | 0.5 | 1.7 | |
| British and American Film Holdings | Thursday | 1.25 | 2.5 | |
| British Bldg & Engineering Appliances | Thursday | 0.75 | 0.1 | |
| British Tar Products | Thursday | 0.525 | 1.575 | |
| Brown, *N. Investments* | Thursday | 2.0 | 4.0 | |
| Brownlee | Monday | 1.0 | 1.86666 | |

| Company | Announcement due | Dividend (p)* Last year Int. | Final | This year Int. |
|---|---|---|---|---|
| Butterfield-Harvey | Tuesday | — | 0.5 | |
| Carless, Capel and Leonard | Tuesday | 1.0 | 1.75 | |
| Celestion Industries | Monday | — | 1.0 | |
| Coalite Group | Tuesday | 1.55 | 3.5 | |
| Control Securities | Monday | 2.25 | 2.25 | |
| Crosby Woodfield | Thursday | — | 0.03 | |
| Denbend Stamping | Thursday | — | 0.05 | |
| Dixon, David | Wednesday | 2.2 | 2.8 | |
| Equity Consort Investment Trust | Wednesday | 2.22 | — | |
| Ferranti | Wednesday | 3.15 | 6.65 | |
| Geevor Tin Mines | Monday | 1.8 | 3.7 | |
| Greycoat City Offices | Tuesday | — | — | |
| Hall, Matthew | Wednesday | 0.3 | 0.65 | |
| Hicking Pentecost | Wednesday | 1.195 | 4.944 | |
| Kleen-e-ze Holdings | Monday | 2.0 | — | |
| Latham, James | Monday | 1.0 | 2.0 | |
| Lennons Group | Wednesday | 3.35 | 6.65 | |
| *London and Midland Industrials* | Thursday | 0.25 | 0.6 | |
| Longton Industrial Holdings | Thursday | 2.9 | 4.85 | |
| Lynton Holdings | Friday | — | 1.0 | |
| Marling Industries | Monday | 1.82 | 2.93 | |
| Merrydown Wine | Friday | 0.47 | 0.61 | |
| Mitchell Somers | Monday | — | 5.0 | |
| Pegler-Hattersley | Thursday | 1.5 | 1.75 | |
| Phoenix Assurance | Wednesday | 4.0 | 7.85 | |
| Pilkington Brothers | Wednesday | 7.6 | — | |
| Preedy, Alfred | Wednesday | 5.0 | 5.5 | |
| Property and Reversionary Investments | Monday | 0.75 | 2.75 | |
| Rowlinson Securities | Wednesday | 1.0 | 2.5 | |
| Russell (Alexander) | Tuesday | 0.18125 | 0.45875 | |
| Toothill, R. W. | Thursday | 0.33 | 0.6 | |
| United Leasing | Monday | 3.0 | 4.0 | |
| Vinten Group | Tuesday | — | — | |
| Wagon Industrial Holdings | Monday | 0.305 | 1.543 | |
| Wellman | Monday | 2.0 | 4.0 | |
| Woodhead, Jonas and Sons | Thursday | — | 0.1 | |
| Zambia Copper | Friday | — | 0.1 | |
| | Wednesday | — | — | |
| ***INTERIM FIGURES*** | | | | |
| Erskine House | Monday | | | |
| Feedback | Tuesday | | | |
| FKI Electricals | Monday | | | |

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

# Take-over bids and deals

The Eagle Star auction entered a new phase last Monday when West German insurance group Allianz Versicherung returned with a revised offer worth £900m., or 650p per share, only to have it quickly topped by BAT Industries with a 660p per share bid worth £913m. Allianz is now considering whether to raise its offer and a decision is expected next Monday. Meanwhile, the Eagle Star board have recommended acceptance of the BATs' standing bid.

Stockley Developments, a newly-formed company, launched a £4.7m bid for troubled property developers Trust Securities. The bid is a one-for-one share offer with a 15p per share cash alternative. The Trust Securities board is recommending acceptance and shareholders representing 70.2 per cent of the Trust share capital have agreed to accept shares or cash. Stockley intends to expand Trust Securities and seek a Stock Exchange listing for its own shares.

Merger discussions between industrial property developers Slough Estates, Allnatt London Properties and Guildhall Property were abandoned last weekend when it became clear that a formula for agreement could not be reached. The merger, had it been successful, would have created a property development group with a market capitalisation of nearly £300m.

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £m's** | Bidder |
|---|---|---|---|---|---|
| Prices in pence unless otherwise indicated. | | | | | |
| Brkly & Hay Hill | 11 | 10 | 10½ | 2.39 | Promotions House |
| Danish Bacon 'A' | 115* | 100 | 110 | 1.98 | Ess-Food |
| Eagle Star | 660* | 698 | 528 | 912.94 | BAT Inds |
| Eagle Star | 650*§ | 698 | 500 | 899.11 | Allianz Verschrng |
| FMC | 49* | 49 | 48 | 4.90 | Hillsdown Hldgs |
| Firmin | 90* | 95 | 90 | 2.34 | Aston Ford Invs |
| Garford-Lilley | 91‡§ | 91 | 38 | 6.00 | Williams Hldgs |
| Helical Bar | 85*§ | 58 | 75 | 1.89 | Exent |
| Hoover (UK) Ord | 240*§ | 232 | 215 | 18.34 | Hoover (U.S.) |
| Hoover (UK) "A" | 235*§ | 232 | 205 | 28.69 | Hoover (U.S.) |
| Ingram (H.) | 85*§ | 210 | 80 | 1.02 | Wasskon |
| Rightwise | 288½*§ | 190 | 200 | 2.57 | Crosby House |
| Royal Worcester¶ | 315§§ | 377 | 275 | 21.32 | Crystalate |
| Russel Bros¶ | 100* | 117 | 115 | 0.72 | Mr N. Phoenix |
| Stenhouse | 147½§§ | 134 | 106 | 55.99 | Reed Stenhse 'A' |
| Streeters | 20*§ | 23 | 38½ | 1.15 | Costain |
| Sunlight Serv | 285† | 223 | 192 | 34.53 | Brengreen Hldgs |
| Tate of Leeds | 210*§ | 208 | 170 | 1.21 | Tate family |
| Tecalemit | 45½ | 50†† | 29 | 15.47 | Siebe Gorman |
| Telfos | 40*§ | 45 | 38 | 2.08 | Plantation and Gen Ivs |
| Trust Securities | 15* | 53 | 46 | 4.69 | Stockley Dev |
| Twinlock | 71*§ | 70 | 60†† | 15.17 | Acco World Cpn |
| UBM Group | 135½§§ | 114½ | 99 | 79.45 | Norcros |

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 2/12/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

## INTERIM STATEMENTS

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| Acrow | March | 14,060L | (3,930)L | — | (—) |
| Aero & Eng | Sept | 346 | (246) | — | (—) |
| Allied Lyons | Sept | 90,500 | (73,900) | 2.42 | (2.2) |
| Allied Plant | June | 57L | (63) | — | (—) |
| Bassetts Foods | Oct | 1,020 | (792) | 1.05 | (1.0) |
| Beecham | Sept | 128,500 | (113,200) | 4.6 | (4.1) |
| Boulton & Paul | Sept | 5,310 | (1,900) | — | (—) |
| BP | Sept | 324,000‡ | (213,000)‡ | — | (—) |
| BPB Industries | Sept | 36,680 | (31,900) | 2.8 | (2.5) |
| Brickhouse Ddly | Sept | 279 | (566) | 0.95 | (0.95) |
| Capital & Cnties | Sept | 3,140 | (3,320) | 1.4 | (1.2) |
| Castings | Sept | 367 | (166) | 0.75 | (0.42) |
| Century Oils | Sept | 1,920 | (910) | 1.0 | (1.0) |
| Chmbrlain Phipp | Sept | 2,020 | (1,450) | 1.1 | (1.1) |
| Courtaulds | Sept | 47,700 | (22,600) | 1.2 | (1.0) |
| Craig & Rose | June | 96 | (86) | 8.0 | (8.0) |
| Cropper, James | Oct | 649 | (75) | 1.5 | (1.0) |
| Dawson Int'l | Sept | 8,940 | (7,990) | 2.4 | (2.2) |
| Dee Corpn | Nov | 9,240 | (6,880) | 7.0 | (6.0) |
| Dominion Int'l | Sept | 2,570 | (1,540) | 2.2 | (2.0) |
| Dreamland Elect | Sept | 394‡ | (251)L | 0.35 | (0.35) |
| Estates & Agency | June | 190 | (135) | — | (—) |
| Feedback | Sept | 522 | (434) | 1.25 | (1.0) |
| Fobel | June | 1,210 | (923) | 1.2 | (1.0) |
| Freshbake Foods | Sept | 716 | (—) | 0.25 | (—) |
| GB Papers | Sept | 890 | (14) | 1.5 | (—) |
| Habitat/Mthrcare | Sept | 10,540 | (—)¶ | 2.0 | (—) |
| Hargreaves | Sept | 1,900 | (2,400) | 1.75 | (1.75) |
| Henderson Admin | Sept | 3,270 | (940) | 3.0 | (—) |
| Humphries | Sept | 106 | (56)L | — | (—) |
| Jenkins, Robert | Sept | 256L | (302) | 3.5 | (7.0) |
| Lndn & Mnch Secs | June | 80L | (150) | — | (—) |
| Marshalls Halifax | Sept | 3,020 | (2,089) | 2.0 | (1.0) |
| Nolton | Oct | 123 | (149) | 0.6 | (0.6) |
| Pauls & Whites | Sept | 4,550 | (5,100) | 2.5 | (2.5) |
| Phillips Patents | Aug | 5.5L | (22.4)L | — | (—) |
| Plantation & Gen | June | 338 | (323) | 1.5 | (1.0) |
| Rolfe & Nolan | Aug | 283 | (141) | — | (—) |
| Ryl Bank of Scot | Sept | 95,300 | (90,800) | 4.4 | (3.9) |
| Scapa | Sept | 7,700 | (6,680) | 3.15 | (3.0) |
| Security Centres | Sept | 1,980 | (502) | 0.9 | (0.75) |
| 600 Group | Oct | 349L | (2,450) | 2.34 | (2.34) |
| Steinberg Group | Oct | 1,330 | (216) | 1.0 | (—) |
| Sterling Guarntee | | 5,490 | (1,620) | 0.32 | (0.25) |
| Thwaites, Daniel | Sept | 2,380 | (1,860) | 1.1 | (1.0) |
| United Wire Grp | Oct | 835 | (1,430) | 5.75 | (5.75) |
| Walker & Staff | Sept | 110 | (81) | 1.5 | (1.5) |
| Ward & Goldstone | Sept | 1,320 | (989)L | 1.3 | (1.0) |
| West Brom Spring | June | 130 | (68) | — | (—) |

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where indicated. † For 15 months. ‡ Figures for nine months. § In I£ and p. ¶ No comparable figure. L Loss.

## Scrip Issue

John Carr (Doncaster)—One for one scrip issue.

## PRELIMINARY RESULTS

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Ace Belmont | Aug | 2,100 | (1,500) | 77.2 | (41.0) | — | (—) |
| Cardiff Props | Sept | 26 | (9) | 1.2 | (0.1) | 1.1 | (1.0) |
| Carr, John (Donc) | Sept | 4,000 | (2,790) | 11.9 | (7.5) | 2.48 | (1.9) |
| City Dublin Bank | Sept | 1,020§ | (921)§ | 4.2§ | (4.1)§ | 2.24§ | (2.01) |
| Davenports | Oct | 2,760 | (2,170) | 22.0 | (12.3) | 8.4 | (4.66) |
| Diploma | Sept | 11,820† | (6,680) | 22.8 | (13.8) | 7.5 | (6.0) |
| Fenner, J. H. | Sept | 4,500 | (8,110) | 3.5 | (12.0) | 5.0 | (9.0) |
| Gomme Holdings | July | 313L | (3,300)L | — | (—) | — | (—) |
| Grainger Trust | Sept | 1,220 | (712) | 18.3 | (12.0) | 4.2 | (3.36) |
| Home Brewery | Sept | 6,360 | (6,510) | — | (—) | 8.8 | (8.0) |
| ICL | Sept | 45,600 | (23,700) | 8.57 | (4.23) | 0.8 | (0.1) |
| MEPC | Sept | 40,400 | (33,400) | 11.5 | (10.2) | 8.0 | (7.25) |
| MMT Computing | Aug | 201 | (143) | — | (—) | 1.68 | (—) |
| Morland & Co | Sept | 14,380 | (13,210) | 14.6 | (14.2) | 5.25 | (5.0) |
| Radio City | Sept | 501 | (442) | 7.5 | (6.6) | 5.6 | (3.8) |
| Samuelson Group | March | 829 | (1,030) | 28.8 | (39.5) | 12.0 | (10.0) |
| Stewart Nairn | June | 1,070† | (119)L | 1.0 | (—) | — | (—) |
| Tomkinsons | Oct | 476 | (449) | 30.5 | (20.5) | 5.0 | (4.2) |
| Trans-Oceanic Tst | | 2,730 | (1,830) | 2.95 | (2.54) | 2.84 | (2.54) |
| Utd Comp & Tech | Sept | 91 | (14)L | 2.0 | (—) | — | (—) |
| Wearwell | Sept | 5,310 | (4,190) | 9.2 | (7.5) | 3.02 | (2.75) |

## Offers for sale, placings and introductions

Atlantic Resources—Raising I£15m through placing of 2.5m shares at I£6 each.

Colne Valley Water Company—Offer for sale by tender of £5m 6 per cent redeemable preference stock 1990. Minimum price of £99 per £100 of stock.

Dataserv—Seeking full listing by way of an offer for sale by tender of 9.8m shares at minimum price of 75p.

Kenyon Securities is coming to the USM via a placing of 300,000 shares at 139p per share.

Pericom—Coming to USM via placing of 1,613,750 shares of 10p at 140p per share.

## APPOINTMENTS

# Allied Irish Bank senior posts

Mr B. V. Wilson has been appointed to the new position of group general manager, Britain, at ALLIED IRISH BANK carrying responsibility for co-ordination and development of group operations in Britain. These comprise the four operating divisions; domestic banking division—the retail banking arm of the group; industrial banking division—Allied Irish Finance; merchant banking division—Allied Irish Investment Bank and international division. Mr Wilson was formerly general manager, Britain, of Allied Irish Investment Bank. Mr J. F. O'Donovan has been appointed general manager, Britain, domestic banking division, in succession to Mr Tim Godfrey. Mr O'Donovan was formerly assistant general manager, personnel, domestic banking division at Bankcentre in Dublin.

★

XTEC has appointed Mr Peter Maple, who has been with the company since its formation 18 months ago, as marketing director. Mr Neil Bapty has also been appointed to the board, nine months since joining as production development manager.

★

Mr T. E. Mathalia, currently LEGAL AND GENERAL'S general insurance manager in Bristol, has been appointed general insurance manager, City, from January 1.

★

Mr David Gration and Dr Norman Carey have been appointed to the board of CELLTECH, Slough, specialist biotechnology company. Mr Gration is chief executive and a director of Boots-Celltech Diagnostics, a joint venture between The Boots Company and Celltech from August. Dr Carey has been Celltech's director of research and development since the company's formation in 1980. He joined from G. D. Searle and Co., where he was a director of research. He is a director of Boots-Celltech Diagnostics.

★

Sir William Mather, former chairman of Mather and Platt, has been appointed chairman of NEOLITH CHEMICALS, Whitworth, high pressure water equipment specialist.

★

Mr Keith Brooks has been appointed managing director of GLOBAL WATCHES, distributor of the Sekonda brand. He takes over from Mr Roland Baker who has moved to Hong Kong to head Remex Holdings, a post previously held by Mr Brooks. Both companies are divisions of Time Products.

★

PRUDENTIAL PORTFOLIO MANAGERS, investment management arm of Prudential Corp, has made the following management appointments. Mr Michael Roberts has joined as an assistant director. Promoted to this newly-created position, from January 1, are Mr Michael Carter, Mr Christopher Cheetham, Mr Howard Soley, Mr John Cozens, Mr Graham Poulton, Mr Edward Francis, Mr James Cox, Mr Brian Kirkland, and Mr Richard Gawthorne.

★

Mr Roger Adams has joined the board of WILTSHIER INTERIORS as director/general manager with responsibility for UK contracts. He comes from Samuel Elliott and Sons (formerly a subsidiary of Sir Robert McAlpine) where he was managing director.

★

New director of the LONDON TOURIST BOARD is Mr Graham Jackson. He takes over from Mr Peter Stevens on January 1. Mr Jackson was director of Madame Tussaud's from 1976 to 1981, and since then has been a tourism consultant.

★

Mr Robert Jones, previously finance director, has been appointed managing director of CENTURYAN SERVICES, formerly known as Tack Services, catering equipment maintenance, repair and cleaning specialist.

★

The MERCANTILE AND GENERAL REINSURANCE CO has appointed as assistant general managers from January 1 Mr J. O. Austin (general branch division), Mr P. M. Edwards (life division) and Mr L. J. McKinnes (general branch division). Mr R. O. Lofts becomes a manager (investment).

★

Mr David Gibson has been appointed finance director of HENDERSON ADMINISTRATION, operating company of Henderson Administration Group, from December 5. He was previously finance director and company secretary of Hargreaves, Reiss and Quinn.

★

Mr Simon John (Sam) Shone has joined MATEVAL as financial controller.

★

Mr Kenneth F. Yarbrough has been appointed regional vice president Europe for UNIROYAL. He joined in 1978 as regional vice president, Latin America. He succeeds Mr Al Weber who has returned to the U.S. to take up a senior position within the company.

★

Mr Michael Appleton and Mr Gordon Money have been appointed to the board of CCL SYSTEMS, Surbiton.

★

Mr Denis Long, at present an assistant general manager, MIDLAND BANK, has been appointed head of group planning and control, group finance. Mr Derek Eastment, at present a divisional advances controller, corportate finance division, has been appointed an assistant general manager, group risk management.

★

DRAKE & SCULL HOLDINGS, the engineering services group of Simon Engineering has appointed Mr Raymond G. Barton financial director. Mr Barton, previously the financial director of the operating companies from 1970, was appointed financial adviser to the Drake & Scull Group board on November 1 1982.

★

Mr Ian MacLellan has been appointed to the board of IBSTOCK JOHNSEN as group finance director. He has been financial controller of the group for the past four years.

★

Mr Alan Breeze has been appointed sales director for LOHJA UK.

★

PLESSEY has appointed Sir Brian Tovey defence systems consultant to Plessey Electronic Systems and a director of Plessey Defence Systems. Sir Brian recently retired as the director of Government Communications Headquarters after a career of 33 years at GCHQ.

★

Mr Yanni Treves has been appointed a non-executive director of the OCEONICS GROUP. Mr Treves is a partner of Macfarlanes, a firm of City solicitors.

★

Mr John R. Parry will be formally appointed to the board of the HAMMERSON GROUP as an executive director early in 1984. He was formerly with Sackville Estates and Holloway Sackville Properties and is now managing director of Commercial Union Properties. Mr Parry is also a member of the property advisory group of the Department of the Environment, chairman of the property committee of the investment protection committee of the British Insurance Association, and deputy chairman of Telford New Town Development Corporation.

★

Mr William Pyle is to retire on December 31 as a director of ANDERSON STRATHCLYDE on health grounds. Mr Harold Glasby has been appointed a director. He will take over from Mr Pyle the appointment of divisional chief executive of the coal face equipment division on December 5. He has been divisional mining director and deputy to the chief executive of the division since April 1980.

★

Following the completion of the acquisition of Oric Products International by EDENSPRING INVESTMENTS, Mr J. K. Tullis, Mr B. J. Muncaster and Mr E. Plumridge, directors of Oric, have all been appointed to the board of Edenspring. Mr P. S. Jones and Mr Nicholas C. de Savary, both directors of Edenspring, have joined the board of Oric.

★

Sir John Read, chairman of TSB Central Board, also assumes the role of chairman of TSB ENGLAND AND WALES with Mr K. A. Millichap as deputy chairman. The other board members are Mr N. R. Barkes, Mr J B. Blake, Mr A. K. Boyd, Mr G. D. Burnett, Mr P. Charlton, Mr G. B. Corser, Mr A. D. B. Duff, Mr D. H. Field, Mr G. L. Hughes, Earl of Iddesleigh, Mr A. D. Martineau, Mr D. R. Thorn and Mr R. Tilbury. TSB England and Wales was formed on November 21 by the merger of ten regional TSBs.

★

Mr Michael Hughes has been appointed chairman of IAN McCALL (HOLDINGS), following the retirement of Mr Ian McCall.

★

SHEPHERD NEAME, Kent brewer, has appointed Mr Michael Rudgard as a non-executive director. He was assistant managing director at Whitbread Fremlins until he retired in November last year.

★

First office bearers of the newly-formed BRITISH FOUNDRY ASSOCIATION have been elected. They are: chairman Mr Stan Heginbotham, and deputy chairman Mr David Smith. Mr Heginbotham is managing director of William Lee Malleable (a member of the Tarmac Group) and Mr Smith is executive director of Robert Taylor Ironfounders (Holdings).

**LADBROKE INDEX**

735-740 (unchanged)

Based on FT Index

Tel: 01-493 5261

## CONTRACTS

# Rolls-Royce power for Miami

A ROLLS-ROYCE powered $28.5m (£19.4m) cogeneration system is to be used in the new Miami Government centre. The 25 Mw facility will be designed and installed by Thermo Electron of the U.S. with Rolls-Royce supplying the gas turbine equipment. The cogeneration plant will produce a combination of up to 25 Mw of electricity, 5,200 tons of air conditioning and 300 gallons per minute of hot water for the Government complex. Electrical output is from an SK.30 industrial Olympus gas turbine from Rolls-Royce and a dual pressure steam turbine built by ThermoElectron's UK subsidiary, Peter Brotherhood. Overall fuel efficiency of the system is claimed to be better than 75 per cent, or about twice as high as a typical generating plant producing only electrical power. Installed capacity of the unit provided at a lower capital cost and higher efficiency than could be achieved by installing new high technology large thermal generating plant. The facility, which will be financed by Winthrop Financial Co Inc, of Boston, is scheduled to begin operation in 1986.

★

An international consortium, led by AEG-KANIS TURBINENFABRIK, Nuremberg, has won a DM 48m (£12m) contract to equip a 20 Mw coal-fired power station in Egypt. The contract was awarded by the General Organisation for Industrialisation in Cairo. AEG-Kanis will be responsible for supplying the turbine, as well as measurement and control technology. Other consortium members are Gebrueder Sulzer, Winterthur, and Vienna-based AEG-Telefunken.

★

## Philips win £9m Indian Navy order

The MEL division of PHILIPS ELECTRONIC AND ASSOCIATED INDUSTRIES has won a £9m order from the Indian Navy for its Super Searcher command and control radar system.

The radar is to be a prime sensor on the Indian Navy's newly-ordered Westland Mk 42B anti-submarine Sea King helicopters. Delivery of the initial order for 20 radar systems is to start in 1986.

Meanwhile, MEL is hoping to win a further order, worth up to £10m, to supply the Super Searcher radar system to the West German Navy for its Sea King helicopters. The West German Navy is still evaluating the MEL radar and competing radar systems.

★

## £15m orders for Haden Drysys

ORDERS worth £15m have been received by HADEN DRYSYS INTERNATIONAL, industrial finishing and mechanical handling division of Haden. The largest, worth £5.8m, is for paint stoving ovens for a new General Motors' assembly plant in Detroit. Conveyor contracts include work for Vauxhall, Ford and the British Airports Authority in the UK, Volkswagen in South Africa and American Motors in the U.S. Other industrial finishing orders are for Ford and Oldsmobile in the U.S., Talbot and SEAT in Spain and Vauxhall and Ford in the UK.

## Economic Diary

TOMORROW: EEC European Council holds summit meeting in Athens (until December 6).

MONDAY: Final retail sales (October). Credit business (October). Provisional producer price index numbers (November). Allianz Versicherung makes statement on Eagle Star bid battle. Ford staff unions meet to consider pay dispute. Nato defence ministers meet in Brussels (until December 6). TUC delegation meets Mr Patrick Jenkin, Environment Secretary, to discuss nuclear waste disposal. "Businessmen of the Year" awards at Savoy Hotel, WC2.

TUESDAY: FT Conference "World banking in 1984" at Inter-Continental Hotel, W1 (until December 8). London clearing banks' monthly statement (mid-November). Provisional estimate of monetary aggregates (mid-November). CSO publishes 1984 edition of Social Trends. Mr Arthur Scargill, NUM president, addresses Sizewell "B" nuclear power station inquiry at the Maltings, Snape.

WEDNESDAY: UK balance of payments (third quarter). Full ministerial meeting of Opec in Geneva. Further British-Chinese talks on Hong Kong in Peking. TUC economic committee meets. British Telecom chairman Sir George Jefferson, Trade and Industry Secretary Mr Norman Tebbit, and POEU general secretary Mr Bryan Stanley at "World Communications Year" conference at Royal Lancaster Hotel, W2.

THURSDAY: EEC Social Affairs Council meets in Brussels. Provisional figures of vehicle production (November). Local government manual workers' pay talks. NUM national executive meets. Nato Foreign Ministers meet in Brussels (until December 9). Venezuelan Finance Ministers' officials begin series of meetings with creditors' banks to discuss developments. European Investment Bank statement.

FRIDAY: Building Societies Association council meeting. EEC/U.S. meeting on trade in Brussels.

Continued from Page 24

**Target Life Assurance Co Ltd**
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

| | | | | |
|---|---|---|---|---|
| Sterling | — | — | .... | 7.5 |
| U.S. Dollar | — | — | .... | 5.4 |
| Swiss Franc | — | — | .... | 0.4 |
| Deutsch Mark | — | — | .... | 2.9 |
| Yen | — | — | .... | 3.5 |

**TSB Life Ltd**
PO Box 3, Keens House, Andover, Hants. SP10 1PG.

| | | | | |
|---|---|---|---|---|
| Managed Fd | 107.2 | 112.9 | −0.2 | — |
| Property Fd | 98.6 | 103.9 | | — |
| Fixed Int Fd | 102.9 | 108.4 | −0.3 | — |
| Money Fd | 98.6 | 103.8 | | — |
| Equity Fd | 115.3 | 121.5 | −0.2 | — |

**Windsor Life Assurance Co Ltd**
Royal Albert Hse, Sheet St, Windsor 68144

| | | | | |
|---|---|---|---|---|
| N Amer Fd | 205.5 | 216.2 | .... | — |
| FutAssGth | 75.0(A) | 85.0(B) | .... | — |
| FutAssPen | — | 51.60 | .... | — |
| Far East Fd | 129.0 | 135.7 | .... | — |
| Index Linked | 94.3 | 99.4 | .... | — |

## EUROPEAN OPTIONS EXCHANGE

| Series | | Feb. Vol. | Feb. Last | May Vol. | May Last | Aug. Vol. | Aug. Last | Stock |
|---|---|---|---|---|---|---|---|---|
| GOLD C | $375 | 2 | 36 | 3 | 50 | — | — | $400.90 |
| GOLD C | $400 | 22 | 18 | 7 | 30 | 10 | 40 | " |
| GOLD C | $425 | 145 | 6 | 82 | 17 | — | — | " |
| GOLD C | $450 | 61 | 2 | 126 | 9 | — | — | " |
| GOLD P | $375 | 20 | 3 B | 4 | 6 | 3 | 6.50 | " |
| GOLD P | $400 | 106 | 8.50 | 52 | 14 | 22 | 12 | " |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

TOTAL VOLUME IN CONTRACTS: 12,622

A=Ask B=Bid C=Call P=Put

## LONDON TRADED OPTIONS

| Option | Calls Jan. | Calls Apr. | Calls July | Puts Jan. | Puts Apr. | Puts July |
|---|---|---|---|---|---|---|
| Brit. Petroleum (*416) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Cons. Goldfields (*524) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Courtaulds (*120) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Commercial Union (*179) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| G.E.C. (*192) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Grand Met. (*329) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| I.C.I. (*642) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Land Securities (*385) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Marks & Spencer (*220) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Shell Transport (*560) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Option | Calls Feb. | Calls May | Calls Aug. | Puts Feb. | Puts May | Puts Aug. |
|---|---|---|---|---|---|---|
| Barclays Bank (*499) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Imperial Group (*134) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| LASMO (*258) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Lonrho (*104) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| P. & O. (*246) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Racal (*187) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| R.T.Z. (*597) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Vaal Reefs (*$108) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Option | Calls Dec. | Calls Mar. | Calls Jun. | Puts Dec. | Puts Mar. | Puts Jun. |
|---|---|---|---|---|---|---|
| Beecham (*321) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Boots (*321) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| De Beers (*$795) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Guest Keen (*168) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Hanson (*242) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Tesco (*167) | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Dec. 2. Total Contracts 5,258. Calls 2,419. Puts 839

* Underlying security price.

# Granville & Co. Limited

Licensed Dealer in Securities

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## Over-the-Counter Market

| 1982-83 High | Low | Company | Price | Change | Gross div.(p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# Early drifting on Wall St

PRICES DRIFTED on Wall Street yesterday, as the stock market continued the trendless activity begun on Thursday.

By 1 pm the Dow Jones Industrial Average was off 2.23 at 1,272.87, for a net loss of 4.57 on the week, following its record high of 1,287.20 on Tuesday. The NYSE All Common Index shed 9 cents to $95.10, while the trading volume dropped 13.16m shares to 67.98m compared with 1 pm Thursday. Overall, declining issues led gains by about 813-to-683.

Analysts noted that yesterday's activity was due in part, to Portfolio Managers consolidating recent gains and adjusting stock portfolios for year-end tax purposes.

One analyst said the market's inability to follow through on Tuesday's record high indicates stocks may drift lower before assuming a better trend by the middle of the month.

Gulf Oil were off $¾ to $43, despite its expectations of higher fourth quarter results. It is seeking to reorganise as a Delaware Corporation.

Most active Lucky Stores rose $½ to $19¾. Western Union moved up $1 to $38 and Time advanced $2 to $62.

The "Old" ATT firmed $¼ to $65, the "New" ATT held unchanged at $20.

Declining issues included Integrated Resources, down $2 to $26 and Rolm $2 lower at $55.

THE AMERICAN SE Market Value Index was off 1.12 to 235.87. Volume expanded 427,000 shares to 4.51m, compared with 1 pm Thursday.

## Canada

Narrowly mixed at mid-session as Pipeline and Forestry gains outweighed weakness in Oils.

The Toronto Composite Index firmed 0.6 to 2,558.5, Papers 3.57 to 222.02, Utilities 1.19 to 337.51 and Banks 0.33 to 478.31. But Oil and Gas shed 17.9 to 3,528.2, Golds 5.0 to 4,130.2 and Metals and Minerals 2.5 to 2,515.5.

Dome Petroleum eased 15 cents to C$4.65 on plans for new-equity financing and continued meetings with bankers.

**Closing prices for North America were not available for this edition.**

## Germany

Selectively higher as Foreign investors switched their attention from the previous market-leading Chemicals to the Mechanical Engineerings.

Dealers said news earlier this week of a sharp rise in new orders in the sector set off a wave of buying in most major Engineerings on Thursday, which gathered further momentum yesterday.

The surge took the Commerzbank Index within a whisker of its all-time high of 1,031.9 of September 1960. It closed at 1,031.3, up 4.7 on the day.

GHH gained DM 3.50 to 142.50, despite news it will post a loss for the year to June 30. Linde added DM 7.50 at 389.50.

Elsewhere in Engineerings, Deutsche Babcock advanced DM 10.50 to 193.50 and KHD DM 13.40 to 259.90.

Buying interest was strong for Daimler, up DM 4.5 at 713.5, ahead of trading in its Rights issue next week.

Preussag moved up DM 9 to 274.50 on strong interim figures.

The Energy concern Veba were lifted DM 3.6 to 17.60. The share had been under pressure after the October announcement that the Government intends to privatise a portion of its holding.

## Paris

Prices ended firmer in active trading.

Purchases for end-of-year Account offset a ¾ per cent rise in French Call Money to 12¾ per cent.

Financials were mixed, with Schneider up FFr3.8 to 89 while, in mixed Foods, Mumm fell FFr 15 to 630.

Constructions and Metals were also mixed, with Bouygues up FFr 35 at 702, while Cresuot Loire shed FFr 1.3 to 45.1.

Oils were easier, with Esso Saf off FFr 6 at 435. In Electronics, Alsthom Atlantique fell FFr 5 to 138 but Thomson CSF advanced FFr 5.7 to 195.5.

Among Foreign issues, Americans, Japanese and Oils were steady. Gold mines were firmer, but Germans and Metal Mines declined.

## Amsterdam

Mainly higher in reaction to the waning of the Dutch Public Sector strikes of the last three weeks.

The price rises boosted the All-Share Index by 1.5 to a record 146.9 and the Internationals Index by 2.4 to a record 156.1.

Insurers were the strongest sector, with investors continuing to buy on merger news and expectations of new mergers. AMEV, the only major Dutch Insurer not to have announced a merger, or possible merger, in recent weeks, were up Fl 1.5 to 156, after 158.2.

## Switzerland

Domestic shares finished higher in active trading as new buying support re-emerged for Banks, Financials and selected Industrials.

Local and Foreign investment demand lifted Bearer stocks of major Banks.

Financials were sought but closed below earlier highs.

Chemicals eased after recent strength. In pre-Bourse dealings EMS-Chemie were an isolated firm spot on speculative demand, rising 45 to Frs 1,005.

Bonds were slightly higher in quiet trading, with Foreign issues more active.

In the Foreign sector, Dollar stocks traded around overnight New York closing levels.

## Tokyo

Higher on active buying of Blue Chips and "Populars," prompted by a market belief there will be a Corporate business recovery in the six months to next March 31.

The Market Average rose a further 43.25 to 9,379.85. Volume 360m (349m) shares.

Substantial Foreign buying cheered the market. Chemicals, Foods, Textiles, Ceramics, Motors and International "Populars" were firmer.

Toyota Motor moved up Y70 to 1,400 on active buying by both local and Foreign investors.

Other Motor and Motor Part firms rose on speculation of high Japanese new vehicle sales figures for November. The figures will be announced next Monday.

Kyocera improved Y350 to 8,300 on good sales of electronic parts plus hopes of a share split. Other Ceramics and Electronics gained in sympathy.

Nitsuko put on Y190 to 3,200 on increased Foreign demand for push-button telephones.

Industrial Robots firmed, reflecting a general recovery of industrial activity.

Nisshin Spinning, however, reacted Y20 to 510 on profit-taking.

Non-Ferrous Metals also closed lower.

## Australia

Prices eased across the market in moderately active trading. Declines were led by Base Metal Minings and leading Resources Exporter issues, due mainly to strong rumours of a possible revaluation of the Australian dollar.

Gold equities were also lower. Industrials were mixed to weaker, with Alcohol and Tobacco shares and also Merchant and Agent stocks showing some gains.

## Singapore

Mixed on short covering and bargain hunting in thin trading. Some speculators emerged in the afternoon to support prices in anticipation of a favourable statement in Parliament later yesterday by the Malaysian Prime Minister on the proposed amendments to the Constitution.

## Hong Kong

The market edged higher in dull trading. The Hang Seng Index gained 8.96 to 855.74.

Dealers noted interest was evenly divided between local and overseas buyers. The longer-term outlook is bearish, they added.

## FOREIGN EXCHANGES

# Dollar firm

The dollar improved in currency markets yesterday, finishing close to the day's highs. News of a further fall in U.S. unemployment underlined continued strength in the U.S. economy with fears that this could put upward pressure on interest rates to counter any rise in inflation. Demand for the dollar was also increased by a high Federal funds rate of 9¾ per cent, reflecting a drain on funds caused by payments made in respect of this week's Treasury bill auctions.

Trading was fairly thin ahead of the weekend and the dollar rose from a steady opening to finish at DM 2.7130 from DM 2.7030 against the D-mark and SwFr 2.1740 from SwFr 2.1640 against the Swiss franc. It finished at Fr 8.2450 against the French franc, up from FFr 8.2175 and Y233.50 compared with Y232.55. On Bank of England figures, the dollar's trade weighted index rose to 128.8 from 128.4.

Sterling recovered from a weaker start, moving up in line with the dollar. Its trade weighted index closed at 82.9, unchanged from Thursday, having stood at 82.8 at noon.

### £ in New York—Latest

| | Dec. 2 | Previous |
|---|---|---|
| Spot | $1.4580-4590 | $1.4650-4560 |
| 1 month | 0.08-0.11 dis | 0.08-0.10 dis |
| 3 months | 0.23-0.27 dis | 0.21-0.25 dis |
| 12 months | 1.03-1.18 dis | 0.95-1.01 dis |

£ forward rates are quoted in U.S. cents discount.

### OTHER CURRENCIES

| Dec. 2 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 28.05-28.15 | 19,272-19,292 | Austria | 27.50-27.80 |
| Australia Dollar | 1.5750-1.5800 | 1.0845-1.0905 | Belgium | 80.55-81.35 |
| Brazil Cruzeiro | 1,323.5-1,331.7 | 908-914 | Denmark | 14.16-14.30 |
| Finland Markka | 8.4265-8.4460 | 5.7880-5.7910 | France | 11.92-12.04 |
| Greek Drachma | 141.15-141.75 | 97.10-97.20 | Germany | 3.92-3.96 |
| Hong Kong Dollar | 11.37¼-11.37¾ | 7.8120-7.8140 | Italy | 2365-2395 |
| Iran Rial | 128.00* | 88.00* | Japan | 338-343 |
| Kuwait Dinar (KD) | [illegible] | [illegible] | Netherlands | [illegible] |
| Luxembourg Fr | [illegible] | [illegible] | Norway | [illegible] |
| Malaysia Dollar | [illegible] | [illegible] | Portugal | [illegible] |
| New Zealand Dlr | [illegible] | [illegible] | Spain | [illegible] |
| Saudi Arab Riyal | [illegible] | [illegible] | Sweden | [illegible] |
| Singapore Dollar | [illegible] | [illegible] | Switzerland | [illegible] |
| Sth African Rand | [illegible] | [illegible] | United States | [illegible] |
| U.A.E. Dirham | [illegible] | [illegible] | Yugoslavia | [illegible] |

* Selling rates.

### THE POUND SPOT AND FORWARD

| Dec 2 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.4535-1.4600 | 1.4560-1.4570 | 0.08-0.13c dis | −0.86 | 0.22-0.27dis | −0.67 |
| Canada | 1.8060-1.8130 | 1.8115-1.8125 | 0.07-0.17c dis | −0.79 | 0.15-0.25dis | −0.44 |
| Nethlnd. | 4.40-4.43½ | 4.42¼-4.43¼ | 1¼-¾c pm | 2.71 | 3½-3 pm | 2.94 |
| Belgium | 79.80-80.20 | 80.05-80.15 | 6-16c dis | −1.65 | 32-42 dis | −1.85 |
| Denmark | 14.20-14.27 | 14.25½-14.26½ | 1.95-3.00ore dis | −2.08 | 3.70-4.85dis | −1.20 |
| Ireland | 1.2640-1.2720 | 1.2700-1.2710 | 0.25-0.35p dis | −2.83 | 0.75-0.90dis | −2.60 |
| W. Ger. | 3.93-3.96½ | 3.95-3.96 | 1⅛-⅞pf pm | 2.65 | 3⅛-2⅞ pm | 2.91 |
| Portugal | 187.00-188.75 | 188.00-188.50 | 125-335c dis | −14.66 | 465-865dis | −14.13 |
| Spain | 226.25-227.25 | 226.80-227.00 | 225-250c dis | −12.56 | 615-685dis | −11.46 |
| Italy | 2,382-2,391 | 2,389½-2,390½ | 12¾-14¾lire dis | −6.90 | 43½-46½dis | −7.53 |
| Norway | 10.92½-10.97½ | 10.96¼-10.97¼ | 3.65-4.35ore dis | −4.38 | 9.6-10.3dis | −3.61 |
| France | 11.96-12.01 | 12.00-12.01 | 3-4c dis | −3.50 | 11-12½ dis | −3.91 |
| Sweden | 11.58½-11.62 | 11.60½-11.61½ | 2.75-3.30ore dis | −3.13 | 7.80-8.15dis | −2.69 |
| Japan | 338-341 | 339¾-340¾ | 0.72-0.64y pm | 2.40 | 2.27-2.15 pm | 2.60 |
| Austria | 27.67-27.87 | 27.80-27.85 | 8-6¾gro pm | 3.18 | 20⅝-17¾ pm | 2.74 |
| Switz. | 3.14½-3.17½ | 3.16¼-3.17¼ | 1½-1¼c pm | 5.21 | 4⅞-3¾ pm | 5.05 |

Belgian rate is for convertible francs. Financial franc 81.05-81.15. Six-month forward dollar 0.47-0.52c dis, 12-month 0.98-1.08c dis.

### THE DOLLAR SPOT AND FORWARD

| Dec 2 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.4535-1.4600 | 1.4560-1.4570 | 0.08-0.13c dis | −0.86 | 0.22-0.27dis | −0.67 |
| Ireland† | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 2.18 |
| Canada | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 0.21 |
| Nethlnd. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.58 |
| Belgium | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −1.38 |
| Denmark | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −0.51 |
| W. Ger. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.82 |
| Portugal | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −14.69 |
| Spain | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −10.92 |
| Italy | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −6.87 |
| Norway | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −2.93 |
| France | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −3.15 |
| Sweden | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | −2.01 |
| Japan | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.27 |
| Austria | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 3.40 |
| Switz. | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 5.75 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.65-55.70.

### EXCHANGE CROSS RATES

| Dec. 2 | Pound Sterling | U.S. Dollar | Deutschem'k | Japanese Yen | French Franc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.457 | 3.955 | 340.5 | 12.005 | 3.168 | 4.438 | 2390. | 1.812 | 80.10 |
| U.S. Dollar | 0.687 | 1. | 2.713 | 233.5 | 8.245 | 2.174 | 3.038 | 1641. | 1.244 | 55.00 |
| Deutschemark | 0.253 | 0.368 | 1. | 86.03 | 3.035 | 0.801 | 1.119 | 604.2 | 0.458 | 20.25 |
| Japanese Yen 1,000 | 2.939 | 4.281 | 11.63 | 1000. | 35.28 | 9.309 | 13.01 | 7025. | 5.325 | 235.4 |
| French Franc 10 | 0.833 | 1.213 | 3.294 | 283.4 | 10. | 2.638 | 3.698 | 1990. | 1.509 | 66.72 |
| Swiss Franc | 0.316 | 0.460 | 1.249 | 107.4 | 3.790 | 1. | 1.398 | 754.4 | 0.572 | 25.29 |
| Dutch Guilder | 0.226 | 0.329 | 0.893 | 76.85 | 2.711 | 0.715 | 1. | 539.7 | 0.409 | 18.09 |
| Italian Lira 1,000 | 0.418 | 0.610 | 1.655 | 142.4 | 5.024 | 1.326 | 1.853 | 1000. | 0.758 | 33.52 |
| Canadian Dollar | 0.552 | 0.804 | 2.183 | 187.8 | 6.626 | 1.748 | 2.443 | 1319. | 1. | 44.21 |
| Belgian Franc 100 | 1.248 | 1.818 | 4.938 | 424.8 | 14.99 | 3.954 | 5.537 | 2985. | 2.262 | 100. |

## MONEY MARKETS

# Revised shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £500m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £124m and Exchequer transactions a further £102m. There was also a rise in the note circulation of £276m.

The Bank gave assistance in the morning of £376m. This comprised purchases of £1m of eligible bank bills in band 1 (up to 14 days) at 9 1/16 per cent and £50m in band 2 (15-33 days) at 9 per cent. In band 3 (34-63 days) it bought £1m Treasury bills and £76m of eligible bank bills all at 8 15/16 per cent and in band 4 (64-91 days) £1m of Treasury bills, £26m of local authority bills and £221m of eligible bank bills all at 8⅞ per cent.

The shortage was later revised to around £550m, before taking into account the morning's help and the Bank gave further assistance of £140m, making a grand total of £516m. The afternoon help comprised purchases of £30m of eligible bank bills in band 2 at 9 per cent and £16m in band 3 at 8 15/16 per cent. In band 4 it bought £10m of Treasury bills and £84m of eligible bank bills all at 8⅞ per cent.

In the interbank market weekend money traded up to a high of 9¾ per cent before slipping away towards the close to a low of 3 per cent. Three-month interbank money was quoted at 9 9/32 per cent, unchanged from Thursday while three-month eligible bank bills were bid at 8 27/32 per cent, also unchanged. Trading was rather dull and featureless. This was underlined by only a marginal movement in the weekly Treasury bill tender average rate of discount to 8.8666 per cent from 8.8624 per cent the previous week.

**UK clering bank base lending rate 9 per cent (since October 4 and 5)**

### LONDON MONEY RATES

| Dec. 2 1983 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Company Deposits | Market Deposits | Treasury (Buy) | Treasury (Sell) | Eligible Bank (Buy) | Eligible Bank (Sell) | Fine Trade (Buy) |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 3-9¾ | 9-9½ | 8-9¾ | 9¼-4 | — | — | — | — | — |
| 2 days notice | — | — | 8⅞-9 | — | — | — | — | — | — | — |
| 7 days or... | — | — | — | — | — | — | — | — | — | — |
| 7 day notice | — | 8⅞-9 | — | 9¼-9⅜ | 9 | — | — | — | — | — |
| One month | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] |
| Two months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | — | — | [illegible] | [illegible] | [illegible] |
| Three months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] |
| Six months | [illegible] | [illegible] | [illegible] | — | — | — | — | — | — | [illegible] |
| Nine months | [illegible] | [illegible] | — | — | — | — | — | — | — | — |
| One year | [illegible] | [illegible] | — | — | — | — | — | — | — | — |

| | Local Auth. negotiable bonds | Local Authority Deposits | Finance House Deposits | $ Certs of Deposits | SDR Linked Deposits | ECU Linked Deposits |
|---|---|---|---|---|---|---|
| One month | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] |
| Two months | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] |
| Three months | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] |
| Six months | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] |
| Nine months | [illegible] | — | [illegible] | [illegible] | — | — |
| One year | [illegible] | 10⅛ | [illegible] | [illegible] | [illegible] | [illegible] |
| Two years | — | 10⅛ | — | — | — | — |
| Three years | — | 10⅛ | — | — | — | — |
| Four years | — | 10⅛ | — | — | — | — |
| Five years | — | 10⅛ | — | — | — | — |

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period October 5 to November 1 1983 (inclusive) 9.393 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Ratesf or sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8666 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-six-month 9¾ per cent; six-12-month 10 per cent. Under £100,000 9¼ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

### FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. December 2)

3 months U.S. dollars

| bid 9 3/16 | offer 9 7/16 |
|---|---|

6 months U.S. dollars

| bid 9 15/16 | offer 10 1/16 |
|---|---|

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Dec. 2 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Kroner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 8⅞-9⅛ | 9¼-9½ | 9-9¼ | 5¾-5⅞ | 2⅛-2⅜ | 5⅝-5¾ | 12¼-12½ | 15¾-16¾ | 9¾-10¼ | 9½-10 | 6-6⅛ | 10⅝-10⅞ |
| 7 day's notice | 9-9⅛ | 9¼-9½ | 9-9¼ | 5⅝-5⅞ | 2¼-2½ | 5 11/16-5 13/16 | 12⅛-12⅝ | 16-16½ | 10½-11 | 10½-11 | 6⅛-6¼ | 10¾-11¼ |
| Month | 9 1/16-9 3/16 | 9⅝-9⅞ | 9⅛-9⅜ | 6 1/16-6 3/16 | 4 1/16-4 3/16 | 6 1/16-6 3/16 | 12⅛-12⅝ | 16-16½ | 10¾-11¼ | 10½-10¾ | 6 5/16-6 7/16 | 11½-12 |
| Three months | 9¼-9 5/16 | 9¾-10 | 9⅜-9⅝ | 6 1/16-6 3/16 | 3 15/16-4 1/16 | 6⅛-6¼ | 12⅞-13⅛ | 16¾-17¼ | 11-11½ | 10⅞-11⅛ | 6⅛-6⅜ | 11½-11⅞ |
| Six months | 9 7/16-9 9/16 | 9⅞-10⅛ | 9⅜-9¾ | 6¼-6⅜ | 4⅛-4¼ | 6⅛-6¼ | 13⅞-14⅛ | 17½-18 | 11⅛-11⅝ | 11-11⅛ | 6⅛-6⅝ | 11¼-11¾ |
| One Year | 9 11/16-9 13/16 | 10¼-10½ | 9¾-10 | 6⅝-6¾ | 4 1/16-4 3/16 | 6 5/16-6 7/16 | 14½-14¾ | 18⅛-18⅝ | 11⅛-11⅝ | 11⅛-11⅝ | 6 9/16-6 11/16 | 11⅝-11⅞ |

Asian $ (closing rates in Singapore): Short-term 9⅛-9¼ per cent; seven days 9⅛-9¼ per cent; one month [illegible] per cent; three months [illegible] per cent; six months 9 11/16-10 1/16 per cent; one year 10¼-10⅝ per cent. Long-term Eurodollar two years 11⅛-11⅜ per cent; three years 11½-11¾ per cent; four years 11⅝-12⅛ per cent; five years 12⅛-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

# COMMODITIES AND AGRICULTURE

## WEEKLY PRICE CHANGES

| | Latest prices per tonne unless stated | Ch'nge on week | Year ago | 1983 High | 1983 Low |
|---|---|---|---|---|---|
| METALS | | | | | |
| Aluminium | £1050 | | £810/815 | £1050 | £810/815 |
| Free Market c.i.f. | $1575/1605 | +25 | $975/1005 | $1685/1695 | $985/1025 |
| Antimony | | | | | |
| Free Market 99.6% | $2060/2130 | +5 | $1900/2000 | [illegible] | [illegible] |
| Copper Cash High Grade | £997.5 | +24.75 | £897.5 | £1161.5 | £907.75 |
| 3 months | £1016.75 | +23.5 | £914.5 | £1177.25 | £931.25 |
| Cash Cathodes | £981 | +25 | £858.25 | £1115.5 | £889 |
| 3 months Do. | £1002.75 | +25 | £870.75 | £1148.5 | £913.5 |
| Gold per oz | $398.375 | +22.25 | $440 | $509.5 | $374.825 |
| Lead Cash | £283.5 | +5 | £299 | £318 | £257 |
| 3 months | £292.75 | +4.5 | £292.75 | £328.25 | [illegible] |
| Nickel | [illegible] | | [illegible] | [illegible] | [illegible] |
| Free Market c.i.f. | [illegible] | | [illegible] | [illegible] | [illegible] |
| Palladium per oz | $155.50 | | [illegible] | [illegible] | [illegible] |
| Platinum per oz | $377.15 | −11.25 | [illegible] | [illegible] | [illegible] |
| Quicksilver (76 lbs) | $300/315 | | [illegible] | [illegible] | [illegible] |
| Silver per oz | 667.25p | +31.40 | [illegible] | [illegible] | [illegible] |
| 3 months per oz | 681.50p | +32.10 | [illegible] | [illegible] | [illegible] |
| Tin cash | [illegible] | | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | | [illegible] | [illegible] | [illegible] |
| Tungsten | [illegible] | | [illegible] | [illegible] | [illegible] |
| Wolfram (22.04 lb) | [illegible] | | [illegible] | [illegible] | [illegible] |
| Zinc cash | £587 | +10.5 | [illegible] | [illegible] | [illegible] |
| 3 months | £601.5 | +10 | [illegible] | [illegible] | [illegible] |
| Producers | $950 | | [illegible] | [illegible] | [illegible] |
| GRAINS | | | | | |
| Barley Futures | £122.60y | +0.35 | £114.85 | £122.90 | £109.85 |
| Maize French | £146.00 | | £142.00 | £151.00 | £141.00 |
| WHEAT Futures | £133.60y | +0.45 | £118.45 | £128.85 | £116.10 |
| Hard Winter Wheat | [illegible] | | [illegible] | [illegible] | [illegible] |
| SPICES | | | | | |
| Cloves | [illegible] | | [illegible] | [illegible] | [illegible] |
| Pepper, white | [illegible] | | [illegible] | [illegible] | [illegible] |
| black | [illegible] | | [illegible] | [illegible] | [illegible] |
| OILS | | | | | |
| Coconut (Philippines) | [illegible] | | [illegible] | [illegible] | [illegible] |
| Groundnut | [illegible] | | [illegible] | [illegible] | [illegible] |
| Linseed Crude | [illegible] | | [illegible] | [illegible] | [illegible] |
| Palm Malayan | [illegible] | | [illegible] | [illegible] | [illegible] |
| SEEDS | | | | | |
| Copra (Philippines) | [illegible] | | [illegible] | [illegible] | [illegible] |
| Soyabeans (U.S.) | [illegible] | | [illegible] | [illegible] | [illegible] |
| OTHER COMMODITIES | | | | | |
| Cocoa Shipment | [illegible] | | [illegible] | [illegible] | [illegible] |
| Cocoa Futures Mar. | £1,638.5 | +6 | [illegible] | [illegible] | [illegible] |
| Coffee Futures Mar. | £1,915.5 | [illegible] | [illegible] | [illegible] | [illegible] |
| Cotton Index | [illegible] | | [illegible] | [illegible] | [illegible] |
| Des. Coconut | [illegible] | | [illegible] | [illegible] | [illegible] |
| Gas Oil Fut. Jan. | $247.25 | +1 | [illegible] | [illegible] | [illegible] |
| Jute UA BWD grade | [illegible] | | [illegible] | [illegible] | [illegible] |
| Rubber Kilo | 82.5p | −1 | [illegible] | [illegible] | [illegible] |
| Sago Pearl | £280w | — | [illegible] | [illegible] | [illegible] |
| Sisal No. 3L | $650w | — | [illegible] | [illegible] | [illegible] |
| Sugar (Raw) | £138v | −4 | [illegible] | [illegible] | [illegible] |
| Tapioca No. 1 | £316v | — | [illegible] | [illegible] | [illegible] |
| Tea (quality) kilo | 278p | +11 | [illegible] | [illegible] | [illegible] |
| (low med.) kilo | 255p | +10 | [illegible] | [illegible] | [illegible] |
| Wooltops 64s Warp | 405p kilo | — | [illegible] | [illegible] | [illegible] |

‡ Unq. (x) Jan. (y) Mar. (v) Dec-Jan. (g) Madagascar. § Ghana cocoa.

## LONDON OIL

Gas oil traded in a narrow range, attracting little interest, reflecting dullness in physicals. Some trade selling emerged around the highs on the close and activity increased.

Crude oil prices also stayed in a narrow range, moving lower during the day after a steady opening, reports Premier Man.

### SPOT PRICES

| | Latest | Change + or − |
|---|---|---|
| CRUDE OIL—FOB ($ per barrel) | | |
| Arabian Light | 28.85-28.95 | −0.05 |
| Iranian Light | 27.90 | −0.05 |
| Arab Heavy | 26.25-26.35 | −0.10 |
| North Sea (Forties) | 28.55-28.60 | +0.02 |
| North Sea (Brent) | 28.60-28.75 | +0.05 |
| African Bonny Lt'ht | 29.30 | +0.25 |
| PRODUCTS—North West Europe CIF ($ per tonne) | | |
| Premium gasoline | 281-285 | — |
| Gas oil | 247-255 | −1.0 |
| Heavy fuel oil | 168-172 | −0.5 |

### CRUDE OIL FUTURES

| Month | Yest'day's close | + or − | Business Done |
|---|---|---|---|
| | $ U.S. per barrel | | |
| Feb. | [illegible] | [illegible] | [illegible] |
| Mar. | [illegible] | [illegible] | [illegible] |
| Apr. | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] |
| June | [illegible] | [illegible] | [illegible] |

Turnover: [illegible] lots of 100 troy ounces.

### GAS OIL FUTURES

| Month | Yest'day's close | + or − | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| Dec. | [illegible] | [illegible] | [illegible] |
| Jan. | 247.25 | [illegible] | [illegible] |
| Feb. | [illegible] | [illegible] | [illegible] |
| Mar. | [illegible] | [illegible] | [illegible] |
| April | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] |
| June | [illegible] | [illegible] | [illegible] |
| July | [illegible] | [illegible] | [illegible] |
| Aug | [illegible] | [illegible] | [illegible] |

Turnover: 144 (120) lots of 1,000 barrels.

## GOLD MARKETS

Gold rose just $¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $398-$398½. The metal opened at $404¼-$405¼ and touched a high of $405-$405½. Profit taking developed at these higher levels and the morning fixing was lower at $403.50.

| | Dec. 2 | | Dec. 1 | |
|---|---|---|---|---|
| Gold Bullion (fine ounce) | | | | |
| Close | $398-398½ | (£273¼-273¾) | [illegible] | [illegible] |
| Opening | $404¼-405¼ | (£277¾-278¼) | [illegible] | [illegible] |
| Morning fixing | $403.50 | (£276.844) | [illegible] | [illegible] |
| Afternoon fixing | $400.75 | (£275.146) | [illegible] | [illegible] |
| Gold and Platinum Coins Dec. 2 | | | | |
| Krugrand | [illegible] | [illegible] | King Sov | [illegible] |
| ½ Krug | [illegible] | [illegible] | Victoria Sov | [illegible] |
| ¼ Krug | [illegible] | [illegible] | French 20s | [illegible] |
| 1/10 Krug | [illegible] | [illegible] | 50 pesos Mex | [illegible] |
| Mapleleaf | [illegible] | [illegible] | 100 Cor. Aust | [illegible] |
| New Sov. | [illegible] | [illegible] | $20 Eagles | [illegible] |
| Old Sov. | [illegible] | [illegible] | Noble Plat | [illegible] |

### LONDON FUTURES

| Month | Yest'day's close | + or − | Business Done |
|---|---|---|---|
| | $ per troy ounce | | |
| Dec. | [illegible] | [illegible] | [illegible] |
| Feb. | [illegible] | [illegible] | [illegible] |
| April | [illegible] | [illegible] | [illegible] |
| June | [illegible] | [illegible] | [illegible] |
| Aug. | [illegible] | [illegible] | [illegible] |
| Oct. | [illegible] | [illegible] | [illegible] |

Turnover: 980 (1,488) lots of 100 troy ounces.

## REVIEW OF THE WEEK

# Sharp price rises for gold and silver

BY OUR COMMODITIES STAFF

A SUDDEN surge in gold and silver led a general rise in the metal prices this week.

Gold moved over $400 an ounce for the first time since the end of September after jumping by over $20 at one stage on Monday. It reached $405 yesterday morning but fell back in the afternoon to close at $398.375 an ounce, still $22.25 higher on the week.

The rise in silver was equally dramatic. The London bullion spot at yesterday's morning fixing was 81.4p up on a week ago at 667.25p an ounce but the market lost ground in the afternoon and declined to 675p by the close.

Traders said there was no apparent reason for gold and silver to move up in this manner. It was suggested that the big bullion robbery in the UK over the weekend may have triggered off some replacement buying interest in gold but the main factor appears to have been that the markets were oversold. So once prices started to rise the upward trend was accelerated by covering of previous sales.

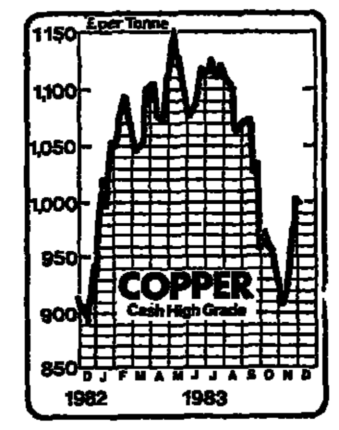
Copper was the main base metal to be boosted by the jump in gold and silver. The higher grade cash price reaching a closing peak of £1,005 a tonne on Wednesday. But after reaching new highs yesterday, the market was hit by selling in the afternoon and the cash price closed at £977.5 a tonne, £24.75 up on the week.

U.S. copper producer, Asarco, announced it was cutting its domestic selling price by 1 cent to 69 cents a pound reversing the upward trend earlier in the week when there were a series of U.S. produced price increases.

A setback for lead was Noranda's decision yesterday to cut its U.S. selling price for lead by 2 cents to 27 cents a lb. Nevertheless cash lead ended the week £5 higher at £283.5 a tonne, and cash zinc also moved ahead again gaining £10.5 to £587 a tonne.

Cocoa futures prices rallied yesterday after being depressed earlier in the week by speculative selling and hedging against previous physical sales.

Yesterday's rise of £36, which left the March position £6 up on the week at £1,638.50 a tonne, was attributed to speculators covering against short positions and new chart-inspired buying prompted by the failure of the March quotation to break through a resistance level at about £1,600 a tonne.




Dealers said the drying up of the earlier selling appeared to have allowed attention to focus once more on the doubts about West African crop levels.

A modest rise in coffee prices was boosted yesterday when it was reported that one of ten Hellenic Line ships seized by creditors was carrying between 30,000 and 50,000 bags (60 kilos each) of coffee.

## BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,026, 26.50, 26, 25.50, 25, 25.50. Cathodes: Cash £985, three months £1,007.50. Kerb Higher Grade: Three months £1,026.50, 26, 26.50, 27. Afternoon: Higher Grade: Three months £1,025, 24, 23, 23.50, 24, 22, 23.50, [illegible] months £600, 599, 99.50, 600, 01, 01.50, 01. Kerb: Three months £600, 01, 600.50, 600. Turnover: 16,625 tonnes.

### COPPER

| COPPER | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 1002-.5 | [illegible] | 997-.5 | [illegible] |
| 3 months | 1025-.5 | [illegible] | 1021-.5 | [illegible] |
| Settlem't | 1002.5 | [illegible] | — | |
| Cathodes | | | | |
| Cash | 985-.5 | [illegible] | 981-2 | [illegible] |
| 3 months | 1007.5-8.5 | [illegible] | 1003-5 | [illegible] |
| Settlem't | 985.5 | [illegible] | — | |
| U.S. Prod | — | | *68-75 | |

### TIN

Tin — Morning: Standard: Three months £8,790, 8,800, 87.94, 95, 8,800, 02, 05, 07. High Grade: Cash £8,720, [illegible]. Afternoon: Standard: Cash £8,670, three months £8,780, 91, 95, 8,800, 8,785, 87, 8,800. High Grade: Cash £8,720. Kerb: Standard: Three months £8,800, 8,790. Turnover: 2,465 tonnes.

| TIN | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] |
| Settlem't | 8730 | [illegible] | — | |
| Standard | | | | |
| Cash | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] |
| Settlem't | 8630 | [illegible] | — | |
| Straits E | [illegible] | [illegible] | — | |
| New York | — | | | |

### LEAD

Lead—Morning: Cash £283.50, three months £293, 92.50, 92, 93.50, 93, 92.50, 92, 91.50, 92. Afternoon: Three months £292.50, 93, 93.50, 93. Kerb: Three months £293, 92, 91.50. Turnover: 11,750 tonnes.

| LEAD | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 283-.5 | [illegible] | 283-.5 | [illegible] |
| 3 months | 292-.5 | [illegible] | 292.5-3 | [illegible] |
| Settlem't | 283.5 | [illegible] | — | |
| U.S. Spot | — | | *25-9 | |

### ZINC

| ZINC | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] |
| Settlem't | [illegible] | [illegible] | — | |
| Prim w'ts | [illegible] | | *40-75 | |

Zinc—Morning: Cash £584.50, three months £599.50, 99, 98.50, 99. Kerb: Three months £599. Afternoon: Three [illegible]

### ALUMINIUM

Aluminium—Morning: Three months £1,091, 91.50, 92, 93, 93.50, 94, 95, 94, 91, 92, 91, 91.50, 91, 50, 91, 91.50. Kerb: Three months £1,093, 93.50, 94, 95. Afternoon: Three months £1,092, 93, 92.50, 93, 92, 93. Kerb: Three months £1,093, 94, 95, 94, 93, 92, 93, 92.50. Turnover: 12,300 tonnes.

| Aluminium | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 1064-.5 | [illegible] | 1065.5-6 | [illegible] |
| 3 months | 1091.5-2 | [illegible] | 1092.5-3 | [illegible] |

### NICKEL

Nickel — Morning: Three months £3,725, 78, 80, 85, 80, 78. Kerb: Three months £3,775. Afternoon: Three months £3,721. Kerb: Three months £3,725, 30. Turnover: 1,260 tonnes.

| NICKEL | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| Spot | [illegible] | [illegible] | [illegible] | [illegible] |
| 3 months | [illegible] | [illegible] | [illegible] | [illegible] |

* Cents per pound. ‡ M$ per kilo. † On the previous unofficial close.

### SILVER

Silver was fixed 11.8p an ounce higher for spot delivery in the London bullion market yesterday at 667.25p. U.S. equivalents of the fixing levels were: spot $9.732, up 15.8c; three-month $9.956, up 15.8c; six-month $10.212, up 17.3c; and 12-month $10.732, up 21.3c. The metal opened at 676-678p ($9.85-9.88) and closed at 666-668p ($9.58-9.60).

| SILVER per troy oz | Bullion fixing price | + or − | L.M.E. p.m. Unofficial | + or − |
|---|---|---|---|---|
| Spot | 667.25p | +11.8 | 667.5p | +7 |
| 3 months | 681.55p | +12.6 | 671.75p | +6.5 |
| 6 months | 696.05p | −13.1 | — | — |
| 12 months | 726.65p | −14.2 | — | — |

LME—Silver (2,000 oz contract): Three months 670.5p (689p). Turnover 3 (2).

### COCOA

Morning: Large contract three months 664.0, 63.5, 64.0, 64.5; small three months 662.0. Kerb: large three months 668.0. Afternoon: large three months 669.0, 70.0, 71.0, 71.5, 72.0, 71.5; small three months 670.0. Kerb: three months large 672, 73.

| COCOA | Yesterday's Close | + or − | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Dec. | 1635-37 | [illegible] | [illegible] |
| March | 1638-39 | [illegible] | [illegible] |
| May | 1655-56 | [illegible] | [illegible] |
| July | 1642-45 | [illegible] | [illegible] |
| Sept | 1640-55 | [illegible] | [illegible] |
| Dec. | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] |

Sales: 5,237 (7,527) lots of 10 tonnes. ICCO—Indicator prices (U.S. cents per pound). Daily price for Dec 2: 104.55 (102.78); five-day average for Dec 5: 104.65 (104.70).

### COFFEE

| COFFEE | Yest'day's Close | + or − | Business Done |
|---|---|---|---|
| January | 1925-26 | −1.0 | 1936-25 |
| March | 1905-06 | +2.5 | 1915-05 |
| May | 1846-48 | −0.5 | 1859-47 |
| July | 1802-06 | −4.5 | 1807-04 |
| Sept | 1760-62 | +3.5 | 1768-50 |
| Nov | 1730-34 | +4.5 | 1733-30 |
| January | 1708-14 | −0.5 | 1715 |

Sales: 1,632 (3,442) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for Dec 1: Comp daily 1979 139.10 (137.80); 15-day average 137.68 (137.48).

### GRAINS

Business done—Wheat: Jan 120.75-20.65, March 123.60-3.45, May 126.50-6.40, July 129.50-9.40, Sept 113.50 only, Nov 116.80-6.75. Sales: 176 lots of 100 tonnes. Barley: Jan untraded, March 122.70-2.60, May 124.70 only, Sept 113.25-1.10, Nov untraded. Sales: 44 lots of 100 tonnes.

| Mnth. | WHEAT Yesterday's close | + or − | BARLEY Yest'day's close | + or − |
|---|---|---|---|---|
| Jan. | 120.65 | −0.05 | 119.80 | −0.05 |
| Mar. | 123.50 | −0.05 | 122.60 | −0.05 |
| May | 126.40 | −0.05 | 124.65 | −0.05 |
| July | 129.40 | −0.05 | — | — |
| Sept | 113.80 | −0.10 | 111.25 | +0.05 |
| Nov. | 116.80 | −0.10 | 114.40 | −0.10 |

(nil) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 82.50p (82.00p); Jan 83.00p (82.75p); Feb 83.50p (83.25p).

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Jan/March 143.25 transhipment east coast. English feed fob Jan/March 125.75 east coast. Maize: French Dec 146, Jan/March 150 east coast. Barley: English feed fob Jan/March 126.50 east coast. Rest unquoted.

### POTATOES

Weekend book-squaring in a quiet market left closing levels about unchanged, reports Coley and Harper.

| Month | Yesterday's close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Feb. | 152.50 | 154.30 | [illegible] |
| April | 193.10 | 193.10 | [illegible] |
| May | 198.50 | 198.00 | [illegible] |
| Nov. | 79.50 | 78.50 | — |
| Feb. | 88.50 | 88.30 | — |

Sales: 506 (761) lots of 40 tonnes.

### RUBBER

The London physical market opened slightly easier, rose a little at midday and closed very quiet and fractionally lower, reported Lewis and Peat. The Kuala Lumpur December fob price for RSS No. 1 was 263.0 (same) cents a kg and SMR 20 223.0 (227.0).

| No. 1 R.S.S. | Yesterday's close | Previous close | Business Done |
|---|---|---|---|
| Jan. | [illegible] | [illegible] | — |
| Feb. | [illegible] | [illegible] | — |
| Jan-Mar | [illegible] | [illegible] | [illegible] |
| Apr-Jne | [illegible] | [illegible] | [illegible] |
| Jly-Sept | [illegible] | [illegible] | [illegible] |
| Oct-Dec | [illegible] | [illegible] | [illegible] |
| Jan-Mch | [illegible] | [illegible] | [illegible] |
| Apr-Jne | [illegible] | [illegible] | [illegible] |
| Jly-Sept | [illegible] | [illegible] | [illegible] |

Sales: 52 (60) lots of 15 tonnes, nil [illegible]

### INDICES

**FINANCIAL TIMES**

| Dec. 1 | Nov. 30 | M'th ago | Y'ar ago |
|---|---|---|---|
| 289.11 | 288.10 | 285.66 | 232.75 |

(Base: July 1 1952=100)

**REUTERS**

| Dec. 2 | Dec. 1 | M'th ago | Y'ar ago |
|---|---|---|---|
| 1959.2 | 1955.0 | 1883.2 | 1568.7 |

(Base: September 18 1931=100)

**MOODY'S**

| Dec. 1 | Nov. 30 | M'th ago | Yearago |
|---|---|---|---|
| 1033.1 | 1035.5 | 1001.3 | 994.3 |

(Base: December 31 1974=100)

**DOW JONES**

| Dow Jones | Nov. 1 | Nov. 30 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 138.29 | 138.45 | 144.48 | 131.38 |
| Fut's | 146.19 | 146.48 | 140.64 | 147.28 |

(December 31 1931=100)

### SOYABEAN MEAL

The market opened £3.00 up in quiet trading conditions, reports T. G. Roddick. Trade selling pushed prices to the lows.

| | Yesterday's close | + or − | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Dec. | [illegible] | [illegible] | [illegible] |
| Feb. | [illegible] | [illegible] | [illegible] |
| April | [illegible] | [illegible] | [illegible] |
| June | [illegible] | [illegible] | [illegible] |
| August | [illegible] | [illegible] | [illegible] |
| October | [illegible] | [illegible] | [illegible] |
| Dec. | [illegible] | [illegible] | [illegible] |

Sales: 74 (50) lots of 100 tonnes.

### SUGAR

| No. 4 Con-tract | Yesterday's close | Previous close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| Mar. | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] |

| No. 6 Contract | $ per tonne | | |
|---|---|---|---|
| Mar. | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] |
| Aug. | [illegible] | [illegible] | [illegible] |
| Oct. | [illegible] | [illegible] | [illegible] |
| Dec. | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] |

Sales: No. 4 1,184 (3,543) No. 6 38 (521) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £246.00 (£247.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed, Caribbean ports). Prices for December 1: Daily price 8.25 (8.53); 15-day average 8.23 (8.21).

## AMERICAN MARKETS

NEW YORK, December 2.

Gold and silver weakened on profit-taking in response to strong dealer selling and the weaker trend evident in financials. Copper was mixed with support being generated by reports of more favourable cash demand. Sugar drifted lower on technical selling along with uncertainty regarding the recent selling tender by India. Cocoa firmed on good manufacturer pricing which encouraged local short-covering. Coffee remained firm as a ship laden with coffee was seized by creditors heightening concerns over the tightness in deliverable supplies. Cotton firmed on the favourable export sales report. Heating oil strengthened initially on strength to cash with selling on a technical basis late in the session. A disappointing export sales report and crush put pressure on soyabeans with values declining late in the session to limit-down levels. Maize fell in sympathy with soyabeans with wheat finding light support on the PRC indicating it would live up to the grain agreement, reports Heinold Commodities Ltd.

### NEW YORK

COCOA 10 tonnes, $/tonnes

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 2243 | 2258 | 2182 | 2204 |
| March | 2260 | 2264 | 2192 | 2221 |
| May | 2266 | 2268 | 2203 | 2229 |
| July | 2271 | 2273 | 2210 | 2235 |
| Sept | 2278 | 2278 | 2220 | 2246 |
| Dec | 2288 | — | — | 2253 |
| March | 2300 | — | — | 2261 |

COFFEE "C" 37,500 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | [illegible] | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] | [illegible] |
| July | [illegible] | [illegible] | [illegible] | [illegible] |
| Sept | [illegible] | [illegible] | [illegible] | [illegible] |
| Dec | [illegible] | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] | [illegible] |

COTTON 50,000 lbs, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | [illegible] | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] | [illegible] |
| July | [illegible] | [illegible] | [illegible] | [illegible] |
| Oct | [illegible] | [illegible] | [illegible] | [illegible] |
| Dec | [illegible] | [illegible] | [illegible] | [illegible] |
| March | [illegible] | [illegible] | [illegible] | [illegible] |
| May | [illegible] | [illegible] | [illegible] | [illegible] |

GOLD 100 troy oz, $/troy oz — [illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons — [illegible]

ORANGE JUICE 15,000 lbs, cents/lb — [illegible]

PLATINUM 50 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | [illegible] | — | — | 407.2 |
| Jan | [illegible] | [illegible] | [illegible] | 409.2 |
| April | [illegible] | [illegible] | [illegible] | 415.5 |
| July | [illegible] | [illegible] | [illegible] | 421.5 |
| Oct | [illegible] | [illegible] | [illegible] | 428.0 |
| Jan | [illegible] | — | — | 435.0 |
| April | [illegible] | — | — | — |

SPOT PRICES—Chicago loose lard [illegible] cents per pound. New York tin [illegible] (599.0) cents per pound.

LONDON DAILY PRICE — Raw sugar £138.00 ([illegible]) a tonne for Dec-Jan shipment. White sugar £156.50 (same).

### CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 63.05 | 63.25 | 62.85 | 63.22 |
| Feb | 62.67 | 62.87 | 62.42 | 62.72 |
| April | 64.70 | 64.90 | 64.50 | 64.75 |
| June | 65.62 | 65.82 | 65.40 | 65.67 |
| Aug | 64.50 | 64.50 | 64.17 | 64.42 |
| Oct | [illegible] | [illegible] | [illegible] | [illegible] |
| Dec | [illegible] | [illegible] | [illegible] | [illegible] |

LIVE HOGS 30,000 lbs, cents/lb — [illegible]

MAIZE 5,000 bu min, cents/56 lb bushel — [illegible]

PORK BELLIES 38,000 lbs, cents/lb — [illegible]

SOYABEANS 5,000 bu min, cents/60 lb bushel — [illegible]

SOYABEAN MEAL 100 tons, $/ton — [illegible]

SOYABEAN OIL 60,000 lbs, cents/lbs

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 26.60 | 27.35 | 25.50 | 27.48 |
| Jan | 26.75 | 27.50 | 26.68 | 27.69 |
| March | 27.25 | 27.90 | 27.19 | 28.17 |
| May | 27.50 | 28.28 | 27.50 | 28.37 |
| July | 27.65 | 28.70 | 27.55 | 28.39 |
| Aug | 27.40 | 27.85 | 27.40 | 28.00 |
| Sept | 25.90 | 26.50 | 25.90 | 26.60 |
| Oct | 25.25 | 25.60 | 25.25 | 25.60 |
| Dec | 24.90 | 25.25 | 24.90 | 25.40 |
| Jan | 25.10 | — | — | — |

WHEAT 5,000 bu min, cents/60 lb bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Dec | 345.0 | 347.0 | 343.4 | 347.6 |
| March | 359.2 | 360.0 | 357.0 | 359.4 |
| May | 359.0 | 359.4 | 355.0 | 359.0 |
| July | 344.0 | 344.4 | 340.4 | 342.6 |
| Sept | 350.0 | 350.6 | 348.4 | 349.2 |
| Dec | 362.4 | 362.6 | 359.4 | 361.0 |

## WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. [illegible] 565.0, 566.0 [illegible] 575.0, 580.0 [illegible] 569.0 Oct [illegible] Dec 578.5 [illegible] 569.0 [illegible] 605.0, 605.0.

LONDON NEW ZEALAND CROSSBRED—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 405, 410, 407, 406; March 418, 418, 420-418; May 425, 428, [illegible] 431-438; Oct [illegible] 449, 449-[illegible] March 448. [illegible] 454. Sales: 148.

# Child's play still traditional

BRITAIN'S children still appreciate traditional things such as Monopoly, fish and chips, football and Mars bars, according to a survey among readers of Buster comic yesterday.

Traditional values emerge strongly from the survey of 4,000 children aged between seven and 11. More than three times as many preferred Monopoly to Space Invaders. Reading and stamp collecting were the most popular hobbies—only 2 per cent listed watching televisions as their favourite.

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous day is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

Hughes Tool ($1) $21¼⊕
Humphries Hldgs 20
Hunting Associated Inds 178

## I—J—K

IMI 5¾pcLn 2001-06 £48. 7¼pcLn 1986-91 £78½. 7¾pcLn 1988-93 £74. 8pc Ln 1985-90 £81⊕
Ibstock Buildings Prods 7¾pcDb 1985-90 £79 (29/11)
Illingworth, Morris 6½pcPf (£1) 40½ (29/11). 6½pc2ndPf (£1) 40½ (29/11)
Imperial Chemical Inds 5½pcLn 1994-

Suter Dfd (5p) 63. 9¼pcLn 1995-2000 £150 1 (30/11)
Swire (John) Sons 6.3pcPf (£1) 77½
Symonds Engg (5p) 10 1½

## T—U—V

TACE 40pcPf (10p) 135 (30/11)
TI Group 5.6pcLn 1989-94 £59½ (29/11). 7.75pcLn 1989-94 £67½. 9pcLn 1989-1994 £78½
Talbot Motor 5½pcDb 1984-89 £79
Tarmac 6¼pcDb 1986-91 £90 (29/11). 7½pcDb 1992-97 £75½ (29/11). 8¼pc Ln 1990-95 £84½ (30/11)

## MINES—MISCELLANEOUS

AMAX Inc 8pcDbs 1/1/186 ($100) £30½ (29/11)
Anglo American (R0.50) £62½
Bisichi Tin (10p) 12½ (29/11)
Botswana RTS (Pu2) 22
Consolidated Gold Fields 6½pcLn 1987-92 £73. 7¾pcLn 1999-2004 £71 (29/11). 8¼pcLn 1998-93 £82
De Beers Consolidated Mines 8pc2ndPf (R1) 27½ 30½ (28/11)
El Oro Mining Exploration (10p) 130
Minerals Resources Corp ($D1.40) $10 10¼ p685 90 5 700 10
North Kalgurli Op̈tios 48½ 9½
Rio Tinto Zinc Corp 565 90

## MINES—SOUTH AFRICAN

African European Invest 6pcPf (R200) £30 (29/11)
Coronation Syndicate (R0.25) 72
Eastern Transvaal Cons (R0.50) £17¾⊕
New Central Witwatersrand Areas (R0.50) 525
Rand London Coal (R0.50) 14 (29/11)
Trans-Natal Coal Corp (R0.50) 350 (29/11)
Western Deep Levels $16 (30/11). 12pcDb 1986-93 (R1) 40

## OIL

BP 9pc2ndPf (£1) 89½ 90
Britoil (10p) 186 8 90 2 5
Burmah Oil 6pc1stPf (£1) 46 (28/11). 6pc2ndPf (£1) 49. 7½pcPf (£1) 62½. 8pcPf (£1) 66½. 7½pcLn 1981-86 £90½ ¼
Charterhall PLC New (5p) 3 4 5 ½ 6 ½ 7 8
Conoco 8pcLn 1987-94 £77½ (28/11)
Dome Petroleum NPV 245
London Scottish Marine Oil 9½pcPf (£1) 113 (30/11)
Petroleos Mexicanos 14½pcLn 2006 £79 80 (30/11)
Shell Transport Trading 5½pc1stPf (£1) 54. 7pc2ndPf (£1) 69½ 70 ½

## PROPERTY

Alliance Prop Hldgs 9½pcDb 1992-97 £88 (29/11)
Allied London Prop 8½pcLn 1999 £145
Allnatt London 6¼pcDb 1986-89 £83½ (25/11)
Argyle Securities 10½pcDb 1992-97 £72 (25/11). 12pcDb 1995-98 £102
Atlantic Metropolitan (UK) 12pcLn 1991-97 £107
Bampton Hldgs 8¼pcLn 2002-07 £65½ (28/11)
Bradford Prop 10½pcPf (£1) 117½ (29/11)
British Land 15pcDb 1987 £112¼ ½. 12pc Ln 2002 £308 9 10
Capital Counties 6¼pcDb 1993-98 £66¼ (28/11). 9¼pc £65½ ¾ (29/11)
Charlwood Alliance Hldgs 7½pcLn (50p) 32½ 3½
Churchbury Estates 4.2pcPf (£1) 44
Clarke, Nickolls Coombs 8½pcLn 1987-92 £61 (25/11)
Colman (E.Alec) 8pcLn 1991-96 £55 (28/11)
Country New Town Prop (10p) 67 8

Jitra Rubber (10p) 57 (29/11)
Kinta Kellas (10p) 205 (29/11)
Kuala Selangor (10p) 450 (25/11)
McLeod Russel 4.2pcPf (£1) 40 (25/11) 5.9pcPf (£1) 53 (25/11)
Narborough (10p) 75 6
Padang Senang Hldgs (10p) 93 (28/11)
Rightwise 12pcLn 1983-85 £92
Romai Tea Hldgs (£1) 495 (25/11)
Sennah Rubber (£1) 475 (30/11)
Singapore Para Rubber (5p) 62 (30/11)
Sogomana (10p) 440 (28/11)
Sungei Bahru 10p) 152 (29/11)

## RAILWAYS

Canadian Pacific 7¼pcPfd ($C10) 425 (25/11)
Ontario Quebec 5pcDb £41 (29/11)

## SHIPPING

Graig Shipping A (£1) 505 (29/11)
Peninsular Oriental 5pcPfd £51 2½
S'hampton, IOW (50p) 198 (30/11)
(25p)L02Pfy8u 9 (7½

## UTILITIES

Barton Transport Dfd (160p) 135 (29/11)
Calcutta Elec Supply Corp (Ind.) (Ru10) 93 (29/11)
Electricite de France 12½pcLn 1998 £106 ½ (25/11)
Manchester Ship Canal 5pcPf (£1) 34½ 5 ½ (30/11). 4pcDb £29½ (29/11)
Mersey Docks Harbour 43½ 4 ½ 5. 3¼pc Db 1979-89 £59 61½. 3½pcDb 1979-89 61½ (25/11). 6¾pcDb 1994-97 £52 (30/11). 6¾pcDb 1996-99 £51½ (30/11)
Southern California Edison ($8⅓) $41½ (28/11)

## WATERWORKS

Bournemouth Dist Water 3.5pc £41
Bristol 4.5pc £37 (30/11). 3.5pcPf £39 (28/11). 4.025pcPf 1985-86 £89 (30/11). 8pcPf 1984 £102 (25/11). 4pcDb £31½ 2½ (25/11)
Camb.idge 6½pcDb 1983-85 £91 (30/11). 7pcDb 1983-85 £94 (30/11)
Chester 7½pcDb 1991-93 £73 (29/11)
Colne Valley A 7pc £70 (29/11). 5¼pc Pf 1986-93 £67½ 8 (29/11). 8pcPf 1984 £105‡ ⅛‡ (25/11)
East Surrey B 4.5pc £52 (28/11). 2.8pcPf £28 (30/11). 7pcDb 1990-92 £75. 10pc Db 1979-93 £88
East Worcestershire 2.8pcPf £28 (30/11)
Essex 3.5pc £39½ (28/11). 3.5pcPf £39 44½ 5 (30/11). 10pcDb 1992-94 £90¼ (30/11). 12½pcDb 1994-95 £92½
Folkestone 2.8pcPf £24 (30/11). 5pcDb £34½ (29/11)
Lee Valley 4.2pcPf 1982-84 £95. 5pcDb £38 (28/11). 6½pcDb 1985-86 £89½ (30/11)
Mid Kent 3.5pc £40½ (29/11). 4.2pcPf 1985-87 £95 (25/11). 8pcDb 1992-94 £80¼ (30/11). 12pcDb 1993 £111¼
Mid-Southern 2.45pcPf £22½
Mid-Sussex 4.9pc £52 3½ (28/11). 3.323 pcPf £35 (28/11)

Unael Cons 150 (25/11)
Union Pacific Corp £33
United Overseas Bank 172⊕ 70 (29/11)
Vaalenc Cons 17½ (30/11)
Village Main Reef 95
Volkswagenwerk AG DM 202 (29/11)
Walhalla Resources 90
Washington National Corp US$25⅞
Waste Management £31 ¼
West Jay Petroleum 21 (25/11)
Western Union Corp US$38¼⊕ (28/11)
Westinghouse Electric US$34¼ (30/11)
Wheelock Maritime 8 7
Windsor Resources 27 (30/11)
World Intnl (Hldgs) 12 (30/11)
Zone Petroleum 150

## RULE 163 (2)

### Applications granted for specific bargains in securities not listed on any Stock Exchange.

Alliance Bldg Soc 11½pcBds due 1/2/84 £100.054pc 0.059pc (28/11)
Ann Street Brewery (£1) 392 5 (30/11)
Biotechnology Invs (US$0.02) £12 ¼ (30/11)
Brint Invs (£1) 152 3 (25/11)
Cannon St Invs (20p) 2 7 (28/11)
Carraim (10p) 9½ 10 (28/11)
Channel Hotels And Props (10p) 35 6
Checkpoint Europe 420 1 (29/11)
CIC Inv (1p) 1⅛ ⁵⁄₃₂
CIC Inv (10p) ½ ¾ 1⅛ (30/11)
Cindico Gp (5p) 96½ (30/11)
Crusts (£1) 80 5 (29/11)
De Gruchy (Abraham) (£1) 260 (25/11)
Dollar Land (£1) 54 5 (29/11)
Edenspring Invs (1p) 8
Farmer Stedall (10p) 125 8 (28/11)
Gibbs (M.) 175 80
Grendon 11pcLn 1976-83 £21¼pc ¾pc (29/11)
Home Brewery 900 20 (30/11)
Intelligence (UK) (10p) 497 800 (29/11)
Irish Press (Ir£1) 290 (28/11)
Jatel (£1) 165 (25/11)
Jennings Bros 165 8 (28/11)
LPA Inds (10p) 90 1 (25/11)
Leeds Fireday 4pc1stMtgDb £25pc 5pc (30/11)
Manchester Utd FC (£1) 195 200 (30/11)
Memcom Intnl (10p) 100 (28/11)
Norton Villiers Triumph (10p) 1½ 2¼ ¾ (30/11)
Oldham Ests (50p) 97 8 (25/11)
Otis Elevator 7pcGtdDb 1975-85 £85¼pc ½pc (29/11)
QPR Football and Athletic Club (50p) 60 70
Rangers FC (£1) £16 ½ (28/11)
Readon 12¾pcPf (£1) 100¼ ⅜
Red Rose Radio A (N-V) (10p) 22 3 (25/11)
Rotaco (10p) 3 (30/11)
Servis (1p) 33 ⁷⁄₁₆ 4 ½ (29/11)
Shepherd Neame A (£1) 700 5 (29/11)
Southern Newspapers (£1) 203 5 (29/11)
Sutton Harbour Improvement 325 (25/11)
Taddle Invs (10p) 30 ¼ 2 4 (30/11)
Trident TV (10p) 125 6 (30/11)
Winchmore 24 5 (30/11)
Wirral Ests (£1) 602 4 (30/11)

## RULE 163 (3)

### Dealings for approved companies engaged solely in mineral exploration.

Bryson Oil and Gas (20p) 190 3 5 200 2 5 10 5
Kenmare Oil (Ir£0.25) 5 6 (30/11)
Oliver Prospecting (Ir£0.05) 145 50 5 65
Caledonian Offshore 4pcLn 2000 (£75pc pd) £90pc (29/11)
Aran Energy New (Ir£0.20) (f'pd) 57 (28/11)

*(By permission of the Stock Exchange Council)*

## COMMERCIAL INDUSTRIAL

## Authorised Units—continued

## Offshore and Overseas—continued

## Insurances—continued

Taiwan (R.O.C.) Fund
c/o Vickers da Costa Ltd, King William St. London EC4. 01-623 2494

Continued on Page 21

# Rights issue for Nixdorf Computer

By Our Frankfurt Staff

NIXDORF COMPUTER, the West German data processing company, is raising DM 136m ($50m) through a one-for-four rights issue which will boost basic capital by DM 40m to DM 200m.

The company, which is majority owned by the Nixdorf family and 25 per cent by Deutsche Bank, said it was making the capital increase to take account of the steady growth in business volume.

Turnover rose by 20 per cent in the first three-quarters of this year against the same period of 1982, and the labour force increased by 1,000 to 17,000.

Last year turnover was up by 18 per cent to DM 2,3bn, a slightly slower rate than in the previous two years. But reported profits rose sharply from DM 41m to DM 73m, thanks partly to a fall in interest expenses.

# German Boveri lifts profits

By Our Financial Staff

BROWN BOVERI the German subsidiary of the Swiss engineering group, expects profits to show an increase this year, but incoming orders are not expected to match 1982's.

In the first 10 months 1983 turnover rose to DM 3.73bn ($1.38bn), 6 per cent above the year-ago period. Domestic turnover fell 4 per cent but foreign turnover rose 21 per cent, boosted by the construction of large plants.

Incoming orders were 3 per cent down at the end of October at DM 3.92bn. Orders from abroad fell by 10 per cent, while orders from the domestic market rose by only 3 per cent.

The company says the outlook for profits continues to be undermined by rising costs, although the increase in costs has not been as rapid as in 1982.

# GHH plunges into the red after setback at MAN

BY JONATHAN CARR IN FRANKFURT

GHH, West Germany's biggest mechanical engineering group, plunged into the red for the first time in the year ended June 1983 because of losses by its biggest subsidiary, MAN.

GHH said that a generally good performance by its other companies, including resumption of dividend payments by the Kabelmetal subsidiary, had been unable to compensate for the setback at MAN.

The group loss was not specified but GHH has already announced a reduction in sales plus a cut in dividend from 14 per cent to 10 per cent. For 1981-82, GHH net profits totalled DM 64.3m ($23.8m) on sales of DM 18.7bn.

MAN has already announced an operating loss of DM 300m for 1982-83, and its sales account for close to half the GHH group total.

MAN, a leading commercial vehicle and diesel engine maker, ran into big problems both because of domestic recession and a drastic fall in foreign demand, notably in the Middle East.

Dr Manfred Lennings, GHH chief executive, resigned last month after failing to win support from leading shareholders for his plan to put MAN on a more sound footing.

Dr Lennings has been succeeded by Dr Klaus Götte, formerly with the Allianz insurance concern.

GHH says group incoming orders for last year fell by nearly 23 per cent to DM 14.89bn, mainly because of a fall of 36.5 per cent in foreign demand.

# McDonnell to cut 1,000 jobs

BY PAUL TAYLOR IN NEW YORK

McDONNELL Douglas, the U.S. aerospace group, plans to cut 1,000 of the 14,900 jobs in its Douglas Aircraft commercial jetliner division. Last month it decided to abandon work on two new aircraft, the MD-90 and MD-100.

The job cuts were part of a plan to "streamline" the company, it said, in order to emphasis government programmes and to make the group more competitive in the 150-passenger commercial jetliner market.

The company said last month it was abandoning work on the planned 100-120 seater medium-range twin-engined MD-90 and the wide-bodied MD-100 to concentrate on its twin-engined 160-seater MD-80. The group, which is in the midst of a bitter labour dispute in its commercial division, blamed a lack of customer orders for the decision.

Previously, it has threatened to pull out of the commercial jetliner business altogether if the strike, by about 6,900 United Auto Workers Union members over a new three-year contract, continues. The strike at the Long Beach, California, division began on October 17.

The latest job cuts will affect both salaried and hourly-paid employees. Separately McDonnell Douglas announced a series of senior management changes at Douglas Aircraft.

# Dr Breitschwerdt to head Daimler-Benz

BY OUR FRANKFURT CORRESPONDENT

DR WERNER BREITSCHWERDT, head of research and development at Daimler-Benz, West Germany's most prestigious vehicles company, has been appointed chief executive. He succeeds Dr Gerhard Prinz, who died in October, aged 54.

There was no word on whether the decision was unanimous. Before the meeting there had been clear indications that the worker's representatives on the board would have preferred Dr Edzard Reuter, the finance chief, for the top job.

However, Dr Breitschwerdt, aged 56, has long been known to have the support of Deutsche Bank, the biggest single shareholder of Daimler-Benz, with about 28 per cent of the equity.

Whatever differences there may have been, Dr Breitschwerdt is widely respected throughout the industry as a manager who "is much more than a technician." For the time being he will keep responsibility for research and development along with his tasks as chief executive.

Last year Daimler-Benz again boosted sales and profits, increased its dividend and paid a bonus. Fairly steady growth continued in the first 9 months of this year.

# SEC plans electronic filing tests

By Terry Dodsworth in Boca Raton, Florida

THE U.S. Securities and Exchange Commission plans to start tests next year on a revolutionary electronic filing system for corporate information which will make detailed statistics almost immediately accessible to investors.

The pilot programme is expected to run for about a year while the system is debugged, Mr John Shad, SEC chairman, said at the annual convention of the Securities Industry Association in Florida.

After that, the SEC is aiming to implement the new techniques to co-ordinate with the rapid growth in ownership of home computers from around 5m today to 50m in 1988.

"By then, it is also expected that investors will be able to enter their market orders directly on their computer terminals and receive instant confirmations," said Mr Shad.

The basic concept of the SEC's plan is to encourage electronic filing according to standardised procedures so that the dissemination and analysis of corporate information can be greatly accelerated—probably at reduced expense.

As the information is entered into the SEC data base, investors and analysts will have instant access to it on home and business computer screens. "They will be able to analyse data in minutes that would otherwise take months," said Mr Shad.

With the growth of the data base it is expected that software will be developed to run off rapid basic analysis and key comparisons. It will be possible, for example, to get up-to-date indications of how the stock market is rating different companies against their book values, or where yields stand across a particular sector.

# Loan losses rise 48% at Canadian Imperial

BY ROBERT GIBBENS IN MONTREAL

LOAN LOSSES at Canadian Imperial Bank of Commerce, Canada's second largest chartered bank, rose 48 per cent to C$721.9m (U.S.$580m) in the year to October 31. Provision for loan losses rose 18 per cent to C$381m.

Despite this, however, net income for the year rose from C$280.8m or C$6.05 a share to C$314.9m or C$6.23, helped by a sharp rise in the fourth quarter from C$84.5m or C$1.83 a share to C$101.5m or C$2.09.

Assets at October 31 were C$68bn, unchanged from a year earlier. As at most other Canadian banks, recession held back asset growth. While domestic returns improved, foreign margins contracted.

● National Bank of Canada, Canada's sixth largest, has completed its rationalisation and made a strong recovery in earnings for the year to October. The bank is raising U.S.$50m on the Euromarkets through a seven-year floating rate note.

Fourth quarter operating net profits were C$27.3m (US$22m), or 86 cents a share, against C$23.8m, or 83 cents a year earlier. For the full year earnings were C$89m, or C$2.80 a share, against a net loss of C$9.2m, or 80 cents.

The 1983 results exclude a C$36.7m tax credit. Assets at October 31 were C$17.7bn against C$18.7bn a year earlier.

The bank attributed the rebound in net earnings to a 25 per cent increase in net interest income

M Michel Belanger, chairman, said the better trend continued in the current first quarter of fiscal 1984. Domestic business had improved and the bank was working hard to gain a larger share of the corporate loan market.

● Toronto Dominion Bank, Canada's fifth largest, plans to sell its Toronto Dominion Bank of California, San Francisco, because it wants to get out of consumer lending outside Canada and concentrate on servicing financial needs of business.

TD Bank of California, with book value of C$13.2m at October 31, 1982, and four branches, will be sold to American Asian Bank, of San Francisco, for a sum estimated by analysts at between C$25m and C$30m.

# Murdoch ups stake in Warner

By Our Financial Staff

MR RUPERT MURDOCH, the Australian newspaper entrepreneur, has spent about $85m to raise his stake in Warner Communications, the U.S. entertainment and cable TV company, from about 1 per cent to 6.7 per cent.

Mr Murdoch's investment in Warner, which owns the troubled Atari video games company, emphasises his commitment to extend his U.S. interests, previously limited mainly to newspapers and magazines. Earlier this year he bought the Chicago Sun-Times newspaper for $90m, adding to titles he already owns

Charles Simon, which monitors filings to the Securities and Exchange Commission, said Mr Murdoch filed details of the purchase under the name of News Corporation.

The filing says the purpose of Mr Murdoch's purchase of the Warner Communications shares was to "make an investment in the equity securities of the company," according to Simon.

Warner Communications shares were trading early yesterday at $23½, down ¼.

# Bank of Oman 'cannot meet loan rules'

BY KATHY EVANS IN DUBAI

THE BANK OF OMAN, the second largest bank in the UAE and the largest privately-owned enterprise in the Emirates, has informed the Central Bank that it is unable to comply with new rules on loans to directors due to be implemented by the end of this year.

The bank is owned by one of Dubai's well established and financially sound families, the Ghurairs. Their activities in the UAE are mainly in the industrial sector.

The problems at the bank seem to have arisen from a refinancing facility granted to one of the Ghurair group companies for the construction of the massive shopping and apartment centre in Dubai that bears the family name. The facility was first granted by the Real Estate Committee and then withdrawn.

The withdrawal led the bank to seek the rescheduling of loans made to its directors. Credit extended to the Ghurair family, which has five members on the bank's board, is said to represent a small proportion of deposits.

The Bank of Oman is one of the most liquid in the UAE. It has assets totalling $2.6bn and advances of only $735m. Its cash balance with other banks amounts to $1.3bn.

● Peat, Marwick Mitchell and Co. the auditors, have been appointed to represent the provisional board of directors set up by the Dubai Government to handle the affairs of the Union Bank of the Middle East.

UBME was effectively taken over by a government appointed board recently when its previous owner, Mr Abdul Wahab Galadari, was unable to comply with Central Bank Rules on loans to directors.

The provisional board has ordered that all contact between Mr Galadari and his immediate family, and the 2,500 employees of companies in the group should be terminated.

# AUTHORISED UNIT TRUSTS

# FT UNIT TRUST INFORMATION SERVICE

**Abbey Unit Tst. Mngrs. (a)**
1-3 St Paul's Churchyard EC4P 4DX 01-236 1839

| | | | | |
|---|---|---|---|---|
| High Income | | | | |
| Gilts & Fixed Int. | 114.7 | 121.4 | -0.3 | 9.88 |
| High Inc Equity | 53.4 | 57.4 | +0.2 | 6.34 |
| Capital Growth | | | | |

**Bridge Fund Managers (a)(c)**
Regis Hse., King William St., EC4. 01-623 4951

| | | | | |
|---|---|---|---|---|
| Amer. Gen.† | 56.2 | 60.5 | ..... | 0.73 |
| Income* | 77.5 | 84.6 | ..... | 5.44 |
| Capital Inc.† | 83.7 | 90.0 | ..... | 2.18 |
| Do. Acc.† | 105.1 | 113.0 | ..... | 2.18 |
| Exempt† | 186.0 | 201.0 | ..... | 4.48 |
| Intl. Recovery Inc.† | 36.9 | 39.7 | ..... | 2.15 |
| Do. Acc.† | 47.9 | 51.6 | ..... | 2.15 |

Dealing *Tues. †Wed. ‡Thurs. Prices Nov 15/16/17.

**Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)**
Salisbury House, 31, Finsbury Circus, London EC2
01-638 0478/0479 or 01-588 2777

**Crown Unit Trust Services Ltd.**
Crown Life Hse, Woking GU21 1XW. 04862 24933

| | | | | |
|---|---|---|---|---|
| Crown High Inc. Trust | 130.6 | 141.2 | +0.7 | 6.30 |
| Crown Growth Trust | 123.0 | 133.0 | +0.2 | 3.76 |

**Grieveson Mgmt—Barrington Funds**
59 Gresham Street, EC2P 2DS 01-606 4433

| | | | | |
|---|---|---|---|---|
| General Nov 30 | 545.5 | 580.4 | ..... | 3.29 |
| (Accum. Units) | 699.1 | 743.8 | ..... | 3.29 |

**Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)**
Registrar's Dept., Goring-by-Sea, Worthing, W.Sx.
0903 502541. Dealing 0444 459144

| | | | | |
|---|---|---|---|---|
| Balanced | 108.4 | 116.5 | -0.5 | 3.73 |

**MLA Unit Trust Management Ltd.**
Continued below Mon-Fri and Stock Exchange dealings Page Sat.

**Money Market Trust**

**Royal Tst. Can. Fd. Mgrs. Ltd.**
48-50, Cannon St., London EC4M 6LD 01-236 6044

| | | | | |
|---|---|---|---|---|
| Capital Fund | 128.4 | 138.0 | ..... | 3.5 |
| Income Fund | 94.0 | 101.0 | ..... | 8.1 |

Prices on Nov 30. Next dealing day Dec 15.

**Save & Prosper Group**
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 0708-66966 or 031-226 7351

International Funds

| | | | | |
|---|---|---|---|---|
| Capital | 72.6 | 78.4 | ..... | 1.19 |
| I.T.U. | 53.9 | 58.2 | +0.1 | 3.27 |

**Transatlantic and Gen. Secs. (c) (y)**
91-99, New London Rd., Chelmsford. 0245-51651

| | | | | |
|---|---|---|---|---|
| Barbican Dec 1 | 142.7 | 146.8 | ..... | 5.50 |
| (Accum. Units) | 273.0 | 280.8 | ..... | 5.50 |
| Colemco Dec 2 | 270.5 | 284.8 | +4.5 | 4.40 |
| (Accum. Units) | 412.8 | 434.6 | +6.9 | 4.40 |
| Fielding Fd Dec 1 | 137.7 | 148.5 | ..... | 3.59 |
| (Accum. Units) | 143.6 | 154.8 | ..... | 3.59 |
| Fielding Inc Dec 1 | 96.0 | 104.2 | ..... | 7.00 |
| Fielding Int Nov. 24 | 168.7 | 179.6 | ..... | 2.01 |
| (Accum. Units) | 183.7 | 195.8 | ..... | 2.01 |
| S. and W. Amer Nov 30 | 100.7 | 105.5 | ..... | 3.42 |

**Tyndall Managers Ltd.(a)(b)(c)**
18, Canynge Road, Bristol 0272 732241

# INSURANCES

# Index only 4.8 up at 741.3 after record-breaking week

# Cable and Wireless issue flops

**Account Dealing Dates**

| *First Dealings | Option Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Nov 14 | Nov 24 | Nov 25 | Dec 5 |
| Nov 28 | Dec 8 | Dec 9 | Dec 19 |
| Dec 12 | Dec 22 | Dec 29 | Jan 9 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

A record-breaking week, the first leg of the trading Account, came to a rather tame close yesterday. Reflecting on the strength of leading shares earlier in the week, investors again tended to adopt a more cautious attitude and, as on Thursday, showed a marked reluctance to chase prices higher.

Renewed profit-taking was evident in the equity sectors but the reaction in blue chip issues owed much to the lack of fresh early support and the disappointing response to the Government's offer-for-sale of **Cable and Wireless** shares.

Having attained a new all-time closing peak of 745.7 on Tuesday and temporarily breaching 750 for the first time on Wednesday, the Financial Times 30-share index drifted lower yesterday and at noon was 3.4 down. This proved to be the day's lowest, and prices rallied in the late afternoon. **ICI** attracted further U.S. support and stood out again with a rise of 22 at 650p, after 652p, with the index ending marginally higher on balance and 4.8 up on the week at 741.3.

A nervous market of late awaiting the result of the Government's tender offer, **Cable and Wireless** lost 18 more for a drop of 25 on the week at 268p, after 265p, following the announcement that 30 per cent of the 100m shares had been left with the underwriters.

Attention elsewhere remained focused on speculative and situation secondary issues or those companies reporting trading statements. **Eagle Star** remained in the limelight, closing a further 9 better at 699p, after 702p, as the shares continued to reflect the increasing belief that original bidders Allianz will top the record-breaking £913m standing bid from BAT Industries.

The weakness of sterling, which gave fresh ground yesterday, continued to sway the gilt-edged market. Buyers held off pending the outcome of this week's U.S. money supply figures and the funds drifted lower for want of support. Closing losses in longer-dated stocks ranged to ⅜, while shorter-dated maturities ended with falls to ⅛.

## Clearing banks revive

Thursday's impressive preliminary results from Royal Bank of Scotland prompted brokers to raise profit expectations for the major clearers and all four made a brighter showing than of late. **Barclays** rose 10 to 495p and **Lloyds** 13 to 543p, while **NatWest** improved 7 to 640p and **Midland** 5 to 435p. **Royal Bank of Scotland**, up 8 on Thursday, touched a 1983 peak of 160p before closing unchanged on balance at 158p.

Eagle Star again dominated proceedings in the Insurance sector, but **Royals** came with a late run and closed 15 higher at 518p. **General Accident** ended 4 dearer at 436p. Life issues recovered from a cautious opening and finished a shade firmer in places.

Home-brew products company **Brewmaker** made a disappointing debut in the Unlisted Securities Market; the shares opened at 34p, but slipped to 32p in the absence of support before settling at the offer-for-sale price of 33p. **Aspinall** encountered further small offerings and slipped to 140p before settling 2 cheaper at 143p—a fall on the week of 15.

Further evidence of falling beer consumption—October's production figures showed a 2.4 per cent decline—made little appreciable impact on Breweries which again traded nervously awaiting trading statement from a number of leading concerns. **Allied-Lyons**, which revealed excellent first-half results last Tuesday, encountered revived profit-taking and shed 3 more to 145p, while **Grand Metropolitan**, 328p, and **Whitbread**, 136p, gave up 4 and 2 respectively. **Bass**, on the other hand, hardened the turn to 323p in front of next Thursday's preliminary results. Regionals were generally lifeless, although **Belhaven** held at 33p, retaining a gain on the week of 8: Mr Nazmu Virani's share purchases on Thursday infringed Takeover Panel rules and, to comply with the code, he reduced his holding by 190,000 to leave his stake at 23.9 per cent.

**The Electricals (04) sub-section of the FT-Actuaries share indices is to be subdivided at the end of the year.**

**As from January 3 1984, the title of subsection 05 will be changed from Engineering Contractors to Electronics.**

**The current ten constituents of subsection 05 will be transferred to other subsections. A few of the numerous transfers within the indices have yet to be resolved, and a full list of the restructured subsections will be published next week.**

Busines in leading Buildings contracted and quotations closed a shade easier for choice. **Blue Circle**, however, held at 440p awaiting next week's Cement Federation meeting which is expected to endorse a 5 per cent price rise. By contrast, a split buying order lifted **Newarthill** 15 to 520p, after 530p, while **SGB** continued to reflect favourable comment and gained 4 more to 134p. **Wilson (Connolly)** also hardened 4, to 172p, on occasional interest. Recently dull **Burnett and Hallamshire** rallied 8 to 153p.

ICI continued to attract US buying and touched a 1983 of 652p before closing a net 22 up at 650p for a gain on the week of 38. Among other Chemicals, **British Benzoil** held at 16p, the board's confident statement compensating for the interim profits setback.

A languid sector for most of the week, major Retailers attracted sporadic interest although quotations at the close were no better than mixed. **Woolworth**, buoyed earlier in the week by a brokers meeting added 3 to record a five-day gain of 23 at 318p. **Burton** hardened 2 more to 400p, but the generally guarded Press reaction to the slightly disappointing interim results clipped 4 more from **Habitat Mothercare**, 272p. **W. H. Smith** closed 4 to the good at 136p following publicity given to a broker's visit. Elsewhere, **Dixons** rose 6 to a 1983 peak of 243p on continued prospects of a profitable Christmas trade, but **Comet** came on offer and eased 5 to 310p. **A. G. Stanley** touched 49p before settling a net 2 dearer at 46p on the announcement that Berger, Jensen and Nicholson has increased its stake to 15.5 per cent.

## Eurotherm advance

Cable and Wireless's weakness made little impact on the Electrical sector. **GEC** traded more actively than recently and eased to 188p before rallying to close a net 2 up at 192p, but **Racal** remained near the day's low at 187p for a fall of 4. **Eurotherm** continued their recent good run, thought to be inspired by a broker's visit, and, in a market now experiencing stock shortage, rose 10 more to 230p, after 235p. **AB Electronics** jumped 85 to 920p on the IBM contract, announced by the chairman at yesterday's annual meeting, while **Multitone Electronics** picked up 5 at 152p.

Up 15 on Thursday, **United Wire** firmed a penny more to 83p in Engineerings as investors continued to pay attention to the yield attractions following the maintained dividend.

Food Retailers' recent strong run faltered and omst quotations drifted easier in the absence of fresh support, but **Dee Corporation**, still reflecting the impressive interim results and the board's confident statement, gained 6 more to a high for the year of 368p, while **Canvermoor** responded to the good preliminary results with a gain of 11 at 114p.

## P. Peck dip and rally

**Polly Peck's** preliminary profits failed to satisfy some market optimist and for a while the shares came under pressure and fell to £23. At that level, however, support revived and the close was a net 1½ points lower at £24: the associated **Cornell** slipped 8 to 225p. Miscellaneous industrial leaders pursued divergent trends with **BOC** rising 6 to 242p ahead of next Thursday's annual results, bu **Metal Box** reacting 5 to 280p. **Trafalgar House** 6 to 202p and **Pilkington Bros.** 5 to 250p. Laundry and Cleaning issues were initially unsettled by newspaper comment and later by Brengreen's weakness after the company's mid-term statement and emphasis on even further expansion. **Brengreen** dropped 8½ to 80p, while **Johnson Cleaners**, 303p, and **Initial**, 428p, ended around 5 cheaper.

Trading statements were also responsible for losses in **Hargreaves**, down 5 more at 73p, and **Pauls and White**, 7 easier at 250p, but **Siebe Gorman** closed 12 up at 362p following retraction of the profits forecast. **Marshall's Universal**, in which Esal (Commodities) has increased its stake, rose 4 to 70p. Other good spots included **Bridon**, 6 higher at 65p, and **Thomas French**, 10 dearer at 205p. Revived demand took **Foseco Minsep** up 5 to 150p, while a Press recommendation lifted **Gestetner** 3 to 62p.

**Horizon Travel**, dull earlier in the week on package holiday price-war worries, staged a strong rally and closed a net 15 up at 145p. **Intasun** picked up a couple of pence at 147p. Elsewhere in the Leisure sector, **Medminster** firmed 3 to a 1983 peak of 74p, but **Management Agency and Music** remained a nervous market awaiting the appeal hearing on the dispute with Mr Gilbert O'Sullivan and shed 2 for a two-day fall of 10 to a low for the year of 98p. **Selec TV**, which failed with its application for a cable TV operating licence, attracted revived speculative support and put on 4 to 32p, after 33p.

Among Paper/Printings, **Associated Paper** continued to attract support and added 3 at a 1983 high of 102p: the annual results are expected shortly. **British Printing and Communication** again responded to investment support with sentiment additionally buoyed by a brokers' lunch and rose to 139p before closing with a rise of 2 on the day and one of 12 on the week at 134p.

Leading Properties attracted renewed investment support and made further good progress before closing a shade below the best in places. **MEPC** touched a 1983 peak of 270p before closing net 8 up at 269p. **Land Securities** finished 3 dearer at 354p, after 356p. Buyers were also interested in **Capital and Counties**, which firmed 4 at 162p and **British Land**, 2 up at 97p. **Property and Reversionary** gained 8 to a high for the year of 170p and **Property Holding and Investment** rose 6 to 178p, after 180p. Shell operation hopes in the wake of the agreed offer worth 15p per share from Stockley Developments lifted **Trust Securities** 3 to 53p for a gain on the week of 7.

**Courtaulds** showed renewed strength in the wake of the better-than-expected half-time statement and added 4 to close the week 7 better at 120p. Late support lifted **Yorklyde** 40 to 370p, while scattered interest was also evident for **Albion**, 2½ up at 12p. **Shaw Carpets**, however, eased 3½ to 41½p after a newspaper "sell" recommendation.

Financials passed a subdued session. **M & G**, preliminary results due in the next Account, rose 7 more to 587p, while **Aitken Hume** added a like amount to 152p ex-the rights issue. **Silvermines** advanced 11 to 121p reflecting the recent gains in Irish oils.

The accent remained on speculative exploration issues in Oils, the two major both closing unchanger after small fluctuations. **Eglington** again claimed most attention, still on Colombian drilling hopes, but eased to 270p before settling only 5 down on balance at 285p to leave a rise of 95 on the week.

A resumption of the recent heavy buying interest from Johannesburg and London lifted South African Golds to their highest levels since late September, despite the relatively narrow movemnts in the bullion price which closed a net 50 cents firmer.

Bullion was fixed at $403.50 in the morning but declined to $400.75 at the afternoon fixing.

The sharemarket opened on a strong note and continued to race ahead until the mid-afternoon when talk of American profit-taking caused a temporary pause in the upsurge.

However, further buying interest became evident and prices responded accordingly to lift the Gold Mines index by 18.2 to 580.6 its best level since September 30 and a rise on the week of 76 points.

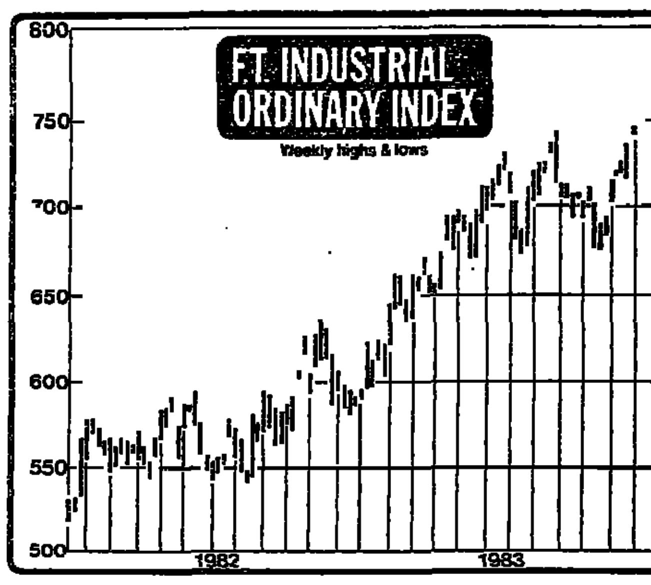
The leading heavyweights remained the top performers, especially **Vaal Reefs**, which advanced £2 to £74½, **Randfontein**, a like amount to the good at £91¾ and **President Steyn**, which put on £1¼ to £30¼. **Doornfontein** attracted strong support and added another at £16½.

South African Financials improved across a broad front with **De Beers** prominent and finally 8 firmer at 548p. "**Amgold**" rose £2 to £77½ while **Gold Fields of South Africa** added ¾ at £14½. Rumoured U.S. buying prompted strong support for **Minorco** which gained 8 more to 703p.

London Financials reflected the downturn in UK equities and an easier copper price on the London Metal Exchange. **Rio Tinto-Zinc** touched 602p in initial trading but retreated to close 3 down on balance at 595p while **Gold Fields** ended the day 3 harder at 523p, after 527p. **Charter** edged up a penny to 218p but remained 6 lower on the week after the disappointing interim results announced on Tuesday.

Golds retained their recent strength, however, with **Carr Boyd** a feature and finally 6 to the good at 85p. **Gold Mines of Kalgoorlie**, heavily bought in Sydney and Melbourne in recent days, eased 3 to 665p but still showed a jump of 105 over the week.

Traded Options finished the week on an encouraging note with 3,258 contracts struck, comprising 2,419 calls and 839 puts. The week's daily average amounted to 2,465. The upturn in call activity was almost entirely attributable to ICI which attracted a buoyant 1,118 trades following increased American support for the underlying stock; most of the business here was transacted in the January series with the January 550's recording 128 deals and rising 20 to 96p, the 600's recording 198 and gaining 16 to 50p, and the 650's proving the most popular in attracting 636 trades and closing 9 better at 17p.




## FINANCIAL TIMES STOCK INDICES

| | Dec. 2 | Dec. 1 | Nov. 30 | Nov. 29 | Nov. 28 | Nov. 25 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs.... | 83.18 | 83.35 | 83.33 | 82.98 | 83.02 | 82.96 | 80.63 |
| Fixed Interest.......... | 86.20 | 86.18 | 86.20 | 86.00 | 86.00 | 86.04 | 82.48 |
| Industrial Ord.......... | 741.3 | 741.1 | 746.1 | 746.7 | 743.0 | 736.5 | 604.8 |
| Gold Mines............... | 580.6 | 562.4 | 570.1 | 546.0 | 567.1 | 508.8 | 474.2 |
| Ord. Div. Yield........ | 4.68 | 4.68 | 4.65 | 4.65 | 4.68 | 4.70 | 4.88 |
| Earnings, Yld.% (full) | 9.63 | 9.64 | 9.56 | 9.48 | 9.49 | 9.58 | 10.50 |
| P/E Ratio (net) (*)..... | 12.66 | 12.65 | 12.75 | 12.88 | 12.86 | 12.74 | 11.42 |
| Total bargains. ..... | 19,915 | 19,826 | 20,760 | 20,488 | 21,759 | 20,178 | 22,426 |
| Equity turnover £m. | — | 236.11 | 229.00 | 216.50 | 257.70 | 306.78 | 208.92 |
| Equity bargains....... | — | 17,300 | 17,251 | 17,259 | 16,961 | 20,093 | 19,658 |
| Shares traded (ml).... | — | 138.6 | 139.6 | 134.4 | 131.8 | 181.0 | 166.5 |

10 am 740.4. 11 am 742.0. Noon 737.7. 1 pm 738.4. 2 pm 738.9. 3 pm 739.1.

Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 11.91.

## HIGHS AND LOWS

| | 1983 High | 1983 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs.... | 83.70 (11/11) | 77.00 (24/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int..... | 86.20 (30/11) | 79.03 (1/2) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord...... | 746.7 (29/11) | 598.4 (12/1) | 746.7 (29/11/83) | 49.4 (26/6/40) |
| Gold Mines | 734.7 (15/2) | 444.6 (1/11) | 734.7 (15/2/83) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | Dec. 1 | Nov. 30 |
|---|---|---|
| —Daily | | |
| Gilt Edged Bargains... | 164.0 | 172.7 |
| Equities Bargains... | 112.1 | 116.0 |
| Value ....... | 475.2 | 462.9 |
| 5-day Avrge. | | |
| Gilt-Edged Bargains... | 162.2 | 159.9 |
| Equities Bargains... | 115.6 | 116.0 |
| Value....... | 495.2 | 507 |

## LEADERS AND LAGGARDS

Percentage change since December 31, 1982 based on Thursday, December 1, 1983

| | | | |
|---|---|---|---|
| Newspapers, Publishing | + 58.38 | Overseas Traders | + 24.15 |
| Motors | + 54.26 | Food Retailing | + 23.18 |
| Chemicals | + 53.49 | Mining Finance | + 20.47 |
| Other Industrial Materials | + 52.73 | All-Share Index | + 20.30 |
| Shipping and Transport | + 52.43 | 500 Share Index | + 17.00 |
| Packaging and Paper | + 48.81 | Discount Houses | + 14.89 |
| Merchant Banks | + 43.49 | Industrial Group | + 14.05 |
| Textiles | + 41.41 | Consumer Group | + 12.99 |
| Insurance (Composite) | + 40.91 | Metals and Metal Forming | + 12.77 |
| Other Groups | + 40.68 | Health and H'sehold Products | + 12.67 |
| Office Equipment | + 37.74 | Food Manufacturing | + 11.24 |
| Insurance (Life) | + 35.00 | Building Materials | + 10.90 |
| Oils | + 34.64 | Stores | + 10.07 |
| Other Consumer | + 33.65 | Capital Goods | + 5.82 |
| Banks | + 33.54 | Mechanical Engineering | + 3.77 |
| Financial Group | + 33.38 | Tobaccos | + 3.02 |
| Investment Trusts | + 27.63 | Gold Mines Index | + 1.06 |
| Leisure | + 26.50 | Brewers and Distillers | + 0.38 |
| Property | + 25.04 | Engineering Contractors | − 2.23 |
| Insurance Brokers | + 24.88 | Electricals | − 3.55 |
| | | Contracting, Construction | − 7.44 |

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Dec 5 | Dec 16 | Mar 8 | Mar 19 |
| Dec 19 | Jan 6 | Mar 22 | Apr 2 |
| Jan 9 | Jan 20 | Apr 2 | Apr 16 |

*For rate indications see end of Share Information Service*

Money was given for the call in George Spencer, W. E. Norton, Aitken Hume, Aran Energy, Premier Oil, Sound Diffusion, Grovebell, Yelverton, Hampson Industries, Aspinall, Style, Amstrad Consumer Electronics, Inter-City, Time Products, Raybeck, Eglinton, Management Agency and Music and Polly Peck. Puts were taken out in Lofs, Alexanders Discount, and Polly Peck, while double options were transacted in Charter Consolidated and Steetley.

# FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Fri Dec 2 1983 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Thur Dec 1 Index No. | Wed Nov 30 Index No. | Tues Nov 29 Index No. | Mon Nov 28 Index No. | Year ago (approx.) Index No. | 1983 High | 1983 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 CAPITAL GOODS (203) | 454.03 | −0.1 | 9.25 | 3.88 | 13.92 | 454.42 | 459.00 | 454.87 | 454.61 | 429.31 | 484.42 (26/4) | 413.64 (27/1) | 484.42 (26/4/83) | 50.71 (13/12/74) |
| 2 Building Materials (24) | 443.95 | −0.5 | 10.89 | 4.71 | 11.51 | 446.20 | 443.85 | 443.10 | 442.32 | 397.00 | 462.65 (15/3) | 402.94 (1/2) | 462.65 (15/3/83) | 44.27 (11/12/74) |
| 3 Contracting, Construction (29) | 673.91 | −0.4 | 13.95 | 5.30 | 8.95 | 676.94 | 677.17 | 673.71 | 673.42 | 725.36 | 831.09 (15/3) | 634.09 (25/10) | 831.09 (15/3/83) | 71.48 (2/12/74) |
| 4 Electricals (38) | 1637.16 | — | 8.16 | 2.31 | 15.97 | 1637.28 | 1673.03 | 1648.01 | 1655.50 | 1602.35 | 1909.93 (3/6) | 1523.07 (27/1) | 1909.93 (3/6/83) | 84.71 (25/6/62) |
| 5 Engineering Contractors (10) | 421.66 | — | 15.94 | 6.59 | 9.10 | 421.53 | 422.71 | 420.34 | 418.65 | 473.96 | 503.86 (27/4) | 391.02 (1/2) | 523.05 (5/2/82) | 64.39 (2/1/75) |
| 6 Mechanical Engineering (57) | 201.25 | +0.2 | 11.96 | 5.58 | 10.31 | 200.82 | 201.59 | 201.90 | 197.37 | 197.72 | 223.27 (27/4) | 184.50 (28/10) | 230.26 (24/4/81) | 45.43 (6/1/75) |
| 8 Metals and Metal Forming (9) | 167.54 | +0.6 | 11.14 | 7.00 | 10.92 | 166.51 | 163.62 | 165.66 | 167.78 | 143.96 | 187.60 (7/4) | 147.40 (4/1) | 192.29 (4/5/79) | 49.65 (6/1/75) |
| 9 Motors (18) | 119.37 | — | 1.59 | 4.53 | — | 119.41 | 120.34 | 115.45 | 117.77 | 77.64 | 122.50 (2/12) | 74.73 (24/1) | 170.59 (15/1/69) | 19.91 (6/1/75) |
| 10 Other Industrial Materials (16) | 564.29 | — | 5.65 | 4.04 | 23.44 | 564.14 | 558.13 | 563.96 | 557.89 | 363.59 | 553.86 (29/11) | 362.82 (1/1) | 553.86 (29/11/83) | 277.55 (15/1/81) |
| 21 CONSUMER GROUP (198) | 452.66 | −0.4 | 10.54 | 4.40 | 11.61 | 454.26 | 456.83 | 457.52 | 455.86 | 411.27 | 457.52 (29/11) | 395.44 (12/1) | 457.52 (29/11/83) | 61.41 (13/12/74) |
| 22 Brewers and Distillers (23) | 447.38 | −1.0 | 12.83 | 5.36 | 9.72 | 451.86 | 454.11 | 454.76 | 452.09 | 434.93 | 486.54 (15/2) | 413.82 (17/10) | 486.54 (15/2/83) | 69.47 (13/12/74) |
| 25 Food Manufacturing (22) | 358.44 | −0.3 | 12.91 | 5.65 | 9.03 | 359.43 | 362.73 | 361.05 | 359.39 | 329.71 | 362.73 (30/11) | 318.68 (23/5) | 362.73 (30/11/83) | 59.67 (11/12/74) |
| 26 Food Retailing (13) | 1051.03 | −0.7 | 7.69 | 2.69 | 16.68 | 1058.79 | 1063.29 | 1055.33 | 1049.22 | 878.41 | 1063.29 (30/11) | 815.37 (30/3) | 1063.29 (30/11/83) | 54.25 (11/12/74) |
| 27 Health and Household Products (9) | 742.16 | −0.7 | 6.36 | 2.96 | 18.40 | 747.03 | 760.71 | 756.11 | 761.75 | 714.34 | 879.98 (18/4) | 663.01 (1/1) | 879.98 (18/4/83) | 175.35 (28/5/80) |
| 29 Leisure (23) | 586.23 | −0.2 | 8.68 | 4.63 | 14.89 | 587.12 | 588.21 | 585.41 | 579.47 | 458.18 | 588.26 (30/11) | 451.80 (12/1) | 588.26 (30/11/83) | 54.83 (9/1/75) |
| 32 Newspapers, Publishing (13) | 997.27 | +0.4 | 8.71 | 4.77 | 13.78 | 992.85 | 985.20 | 977.28 | 973.32 | 588.42 | 1003.55 (6/9) | 619.26 (4/1) | 1003.55 (6/9/83) | 55.08 (6/1/75) |
| 33 Packaging and Paper (14) | 208.22 | −0.9 | 11.51 | 4.82 | 10.72 | 210.13 | 207.80 | 207.65 | 203.34 | 148.35 | 210.13 (1/12) | 139.78 (4/1) | 210.13 (1/12/83) | 43.46 (6/1/75) |
| 34 Stores (47) | 427.98 | +0.1 | 8.36 | 3.71 | 16.20 | 427.37 | 429.25 | 429.49 | 422.52 | 392.15 | 424.89 (29/11) | 378.33 (10/1) | 424.89 (29/11/83) | 52.63 (6/1/75) |
| 35 Textiles (20) | 245.22 | +1.1 | 12.28 | 4.84 | 9.43 | 242.43 | 241.95 | 243.87 | 235.36 | 173.48 | 245.22 (2/12) | 171.44 (3/1) | 245.22 (2/12/83) | 62.66 (11/12/74) |
| 36 Tobaccos (3) | 456.25 | −0.4 | 21.84 | 7.01 | 5.13 | 458.23 | 454.46 | 459.03 | 459.22 | 467.77 | 516.31 (3/2) | 399.33 (10/8) | 516.31 (3/2/83) | 94.34 (13/6/62) |
| 39 Other Consumer (9) | 445.44 | −0.3 | 5.99 | 4.69 | — | 446.66 | 446.78 | 446.58 | 447.34 | 335.75 | 447.34 (29/11) | 334.21 (13/1) | 447.34 (29/11/83) | 229.34 (28/4/82) |
| 41 OTHER GROUPS (84) | 409.29 | +0.1 | 8.09 | 4.24 | 15.56 | 409.52 | 409.01 | 408.99 | 396.09 | 288.55 | 410.46 (30/11) | 288.55 (12/1) | 410.46 (30/11/83) | 58.63 (6/1/75) |
| 42 Chemicals (16) | 610.02 | +2.7 | 7.41 | 4.14 | 17.60 | 594.24 | 590.82 | 586.54 | 586.58 | 383.48 | 610.02 (2/12) | 379.95 (12/1) | 610.02 (2/12/83) | 71.20 (11/12/74) |
| 44 Office Equipment (6) | 118.40 | −1.0 | 8.72 | 4.66 | 14.30 | 119.59 | 111.59 | 113.91 | 114.66 | 84.61 | 121.17 (5/8) | 80.95 (4/1) | 246.06 (2/9/72) | 45.34 (2/1/75) |
| 45 Shipping and Transport (14) | 793.61 | +0.4 | 11.43 | 5.31 | 14.39 | 791.05 | 785.06 | 788.73 | 786.03 | 523.69 | 808.08 (30/11) | 520.01 (6/1) | 808.08 (30/11/83) | 90.80 (29/6/62) |
| 47 Miscellaneous (48) | 516.86 | −2.2 | 8.73 | 3.07 | 13.77 | 528.72 | 535.52 | 523.93 | 533.92 | 397.85 | 541.97 (22/9) | 409.35 (12/1) | 541.97 (22/9/83) | 60.39 (6/1/75) |
| 49 INDUSTRIAL GROUP (485) | 451.57 | −0.2 | 9.73 | 4.21 | 12.81 | 452.46 | 455.41 | 454.20 | 451.36 | 400.53 | 456.31 (29/11) | 391.26 (12/1) | 456.31 (29/11/83) | 59.01 (13/12/74) |
| 51 Oils (15) | 945.99 | — | 11.92 | 6.32 | 10.19 | 943.55 | 946.40 | 951.45 | 951.28 | 725.51 | 1071.68 (15/8) | 693.58 (28/2) | 1071.68 (15/8/83) | 87.23 (29/5/62) |
| 59 500 SHARE INDEX (500) | 492.79 | −0.2 | 10.09 | 4.55 | 12.30 | 493.56 | 497.52 | 495.84 | 493.50 | 427.92 | 505.31 (18/8) | 419.14 (12/1) | 505.31 (18/8/83) | 63.49 (13/12/74) |
| 61 FINANCIAL GROUP (123) | [illegible] | [illegible] | — | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 62 Banks (6) | 375.47 | +1.5 | 23.05 | 6.62 | 4.71 | 369.78 | 365.08 | 364.21 | 357.25 | 271.14 | 375.47 (2/12) | 266.98 (4/1) | 375.47 (2/12/83) | 62.44 (12/12/74) |
| 63 Discount Houses (8) | 395.01 | +0.3 | — | 6.16 | — | 393.59 | 394.09 | 337.22 | 333.22 | 289.29 | 424.81 (27/4) | 327.95 (13/1) | 424.81 (27/4/83) | [illegible] |
| 65 Insurance (Life) (9) | 484.42 | +0.5 | — | 4.40 | — | 482.91 | 482.95 | 484.72 | 484.42 | 356.39 | 498.32 (18/8) | 352.67 (3/1) | 498.32 (18/8/83) | 44.88 (2/1/75) |
| 66 Insurance (Composite) (10) | 348.58 | +1.0 | — | 6.53 | — | 346.22 | 346.04 | 347.01 | 345.20 | 239.34 | 348.58 (2/12) | 240.20 (4/1) | 348.58 (2/12/83) | 43.96 (13/12/74) |
| 67 Insurance Brokers (7) | 613.47 | +0.3 | 11.15 | 4.75 | 12.27 | 611.67 | 608.84 | 604.56 | 605.57 | 449.33 | 631.47 (12/4) | 448.77 (4/1) | 631.47 (12/4/83) | 65.86 (16/12/74) |
| 68 Merchant Banks (12) | 218.32 | — | — | 4.22 | — | 218.40 | 220.56 | 217.97 | 213.91 | 152.38 | 220.56 (30/11) | 152.21 (4/1) | 228.57 (5/7/72) | 31.21 (7/1/75) |
| 69 Property (53) | 521.74 | +1.0 | 5.76 | 3.72 | 23.19 | 516.73 | 515.51 | 515.38 | 515.79 | 404.12 | 521.74 (2/12) | 410.37 (12/1) | 521.74 (2/12/83) | 56.01 (20/4/65) |
| 70 Other Financial (19) | 254.33 | — | 10.82 | 5.33 | 11.14 | 254.26 | 257.75 | 254.88 | 253.53 | 184.21 | 263.63 (25/3) | 183.79 (4/1) | 263.63 (25/3/83) | 33.29 (17/12/74) |
| 71 Investment Trusts (108) | 457.87 | +0.1 | — | 3.89 | — | 457.35 | 452.77 | 456.07 | 456.77 | 346.95 | 458.77 (30/11) | 358.26 (1/1) | 458.77 (30/11/83) | 71.65 (13/12/74) |
| 81 Mining Finance (4) | 285.01 | −0.1 | 9.26 | 5.12 | 13.26 | 285.21 | 288.03 | 281.98 | 289.11 | 225.91 | 330.44 (22/8) | 236.76 (1/1) | 330.44 (22/8/83) | 66.31 (30/9/74) |
| 91 Overseas Traders (15) | 450.88 | −0.6 | 7.55 | 7.79 | 19.34 | 453.85 | 452.35 | 459.67 | 454.17 | 408.53 | 502.93 (11/5) | 408.16 (6/1) | 502.93 (11/5/83) | 97.37 (6/1/75) |
| 99 ALL-SHARE INDEX (750) | 459.98 | — | — | 4.70 | — | 459.83 | 461.87 | 460.69 | 460.92 | 385.34 | 465.74 (18/8) | 382.22 (12/1) | 465.74 (18/8/83) | 61.92 (13/12/74) |

### FIXED INTEREST

| PRICE INDICES | Fri Dec 2 | Day's change % | Thur Dec 1 | xd adj. today | xd adj. 1983 to date |
|---|---|---|---|---|---|
| **British Government** | | | | | |
| 1 5 years | 117.88 | −0.09 | 117.99 | — | 10.66 |
| 2 5-15 years | 133.35 | −0.22 | 133.65 | — | 12.04 |
| 3 Over 15 years | 143.48 | −0.37 | 143.79 | — | [illegible] |
| 4 Irredeemables | 151.92 | — | 151.92 | — | [illegible] |
| 5 All Stocks | 131.29 | −0.19 | 131.53 | — | 11.66 |
| 6 Debentures and Loans | 107.75 | +0.04 | 107.72 | — | 10.53 |
| 7 Preference | 80.24 | −0.37 | 80.57 | — | 6.30 |

| AVERAGE GROSS REDEMPTION YIELDS | | Fri Dec 2 | Thur Dec 1 | Year ago (approx.) | 1983 Highs | 1983 Lows |
|---|---|---|---|---|---|---|
| **British Government** | | | | | | |
| 1 Low Coupons | 5 years | 9.46 | 9.43 | 8.61 | [illegible] | [illegible] |
| 2 | 15 years | 9.88 | 9.81 | 10.09 | [illegible] | [illegible] |
| 3 | 25 years | 9.65 | 9.61 | 10.26 | [illegible] | [illegible] |
| 4 Medium Coupons | 5 years | 10.38 | 10.35 | 10.11 | [illegible] | [illegible] |
| 5 | 15 years | 10.59 | 10.55 | 11.29 | [illegible] | [illegible] |
| 6 | 25 years | 10.25 | 10.21 | 10.99 | [illegible] | [illegible] |
| 7 High Coupons | 5 years | 10.86 | 10.80 | 11.16 | [illegible] | [illegible] |
| 8 | 15 years | 10.84 | 10.79 | 11.16 | [illegible] | [illegible] |
| 9 | 25 years | 10.41 | 10.37 | 10.53 | [illegible] | [illegible] |
| 10 Irredeemables | | 9.66 | 9.65 | 10.48 | [illegible] | [illegible] |
| 11 Debs & Loans | 5 years | 11.49 | 11.52 | 12.23 | [illegible] | [illegible] |
| 12 | 15 years | 11.69 | 11.69 | 12.22 | [illegible] | [illegible] |
| 13 | 25 years | 11.49 | 11.49 | 12.35 | [illegible] | [illegible] |
| 14 Preference | | 12.27 | 12.24 | 12.21 | [illegible] | [illegible] |

| Equity section or group | Base date | Base value | Equity section or group | Base date | Base value |
|---|---|---|---|---|---|
| Other Industrial Materials | 31/12/80 | 287.41 | Other Financial | 31/12/70 | 128.06 |
| Other Consumer | 31/12/80 | 238.14 | Food Manufacturing | 29/12/67 | 114.13 |
| Health/Household Prods. | 30/12/77 | 261.77 | Food Retailing | 29/12/67 | 114.13 |
| Other Groups | 31/12/74 | 63.75 | Insurance Brokers | 29/12/67 | 96.67 |
| Overseas Traders | 31/12/74 | 100.00 | Mining Finance | 29/12/67 | 100.00 |
| Engineering Contractors | 31/12/71 | 153.84 | All Other | 10/4/62 | 100.00 |
| Mechanical Engineering | 31/12/71 | 153.84 | British Government | 31/12/75 | 100.00 |
| Office Equipment | 16/1/70 | 162.74 | Debs. & Loans | 31/12/77 | 100.00 |
| Industrial Group | 31/12/70 | 128.20 | Preference | 31/12/77 | 76.72 |

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGES: Royal Worcester (46) and North British Properties (69) have been deleted and replaced by Plysu (42) and Bertam Holdings (91) respectively.

## NEW HIGHS AND LOWS FOR 1983

### NEW HIGHS (81)

**AMERICANS (9)**
Campbell Soup, Quaker Oats, Colt Inds, TRW Inc, Crown Zellerbach, Transamerica, Gen Foods Corp, United Tech, Int Tel & Tel

**CANADIANS (1)**
Can Pacific 4pcDb

**BANKS (3)**
Bank of Scotland, Westpac, Schroders

**BUILDINGS (2)**
Marshalls Halifax, Nottingham Brick

**CHEMICALS (1)**
ICI

**STORES (4)**
Casket (S.), Time Products, Dixons Group, Vantona Viyella

**ELECTRICALS (2)**
A.B. Electronic, Amstrad

**ENGINEERING (3)**
Crown House, Williams, Spear & Jackson

**FOODS (2)**
Dee Corp, Low (William)

**HOTELS (1)**
Garfunkels Rest

**INDUSTRIALS (9)**
Dyson (J. & J.), Gestetner A NV, Do A, Marshall's Universal, EIS Group, Renown Inc, Emhart Corp, Swedish Match B, Fogarty Deld

**INSURANCE (4)**
Britannic Assur, Marsh & McLennan, Eagle Star, Willis Faber

**LEISURE (1)**
Medminster

**MOTORS (1)**
Honda Motor

**PAPER (3)**
Assoc Paper Inds, GB Papers, British Printing

**PROPERTY (12)**
British Land, MEPC, Haslemere Ests, Marlborough Prop, Land Sec, Peachey, Lon Shop Prop, Prop Hldg & Inv, Do 6½pcCnv 1984, Prop & Reversionary, Do 9pc Cnv '94-99, Ster Guar. 7pcPf

**TEXTILES (2)**
Sirdar, Tootal

**TRUSTS (17)**
Altifund Cap, General Scottish, Argo Inv, Japan Assets, Baillie Gifford Japan, Meldrum Inv, Channel Islands Cap, New Aust Inv, Drayton Japan, New Tokyo Inv, Fleming Far Eastern, Right & Issues Cap, Fleming Japanese, SPLIT Inc, Do. B, M & G Group, General Cons

**OILS (2)**
Bula Res, Cluff Oil Cnv A

**MINES (2)**
Tanjong, Keywest Inv

### NEW LOWS (18)

**BREWERS (4)**
Boddingtons, Greene King, Forshaws Burtonw'd, Wolverhampton Dud

**BUILDINGS (1)**
Turriff

**ELECTRICALS (1)**
UEI

**ENGINEERING (1)**
Norton (W. E.)

**FOODS (1)**
Alpine Soft Drinks

**INDUSTRIALS (5)**
Assoc Telecom, Moben, Bruntons (Muss), Sheldon Jones, Ecobric

**LEISURE (1)**
Mngmts Ag Music

**OILS (2)**

**PROPERTY (1)**
Whittington Int

**SHIPPING (1)**
Lyle Shipping

## RISES AND FALLS YESTERDAY

| | Yesterday Rises | Yesterday Falls | Yesterday Same | On the week Rises | On the week Falls | On the week Same |
|---|---|---|---|---|---|---|
| British Funds | 8 | 76 | 19 | 188 | 153 | 174 |
| Corpns., Dom and Foreign Bonds | 1 | 6 | 69 | 52 | 30 | 299 |
| Industrials | 216 | 296 | 883 | 1,499 | 1,102 | 4,378 |
| Financial and Props. | 136 | 57 | 329 | 657 | 339 | 1,614 |
| Oils | 19 | 23 | 74 | 164 | 146 | 270 |
| Plantations | 2 | 6 | 12 | 11 | 25 | 64 |
| Mines | 77 | 15 | 74 | 340 | 152 | 338 |
| Others | 77 | 38 | 63 | 351 | 224 | 305 |
| Totals | 536 | 517 | 1,523 | 3,262 | 2,171 | 7,442 |

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change | Stock | Closing price | Day's change |
|---|---|---|---|---|---|
| Barclays Bank | 495 | +10 | Eagle Star | 698 | + 8 |
| Bensford (S. & W.) | 194 | − 5 | GEC | 192 | + 2 |
| Brengreen | 80 | − 8½ | ICI | 650 | +22 |
| BPCC | 134 | + 2 | MEPC | 269 | + 8 |
| Cable & Wireless | 270 | −18 | Newarthill | 520 | +15 |
| | | | Racal Elect. | 187 | − 4 |
| | | | Rand London | 25 | + 5 |

## THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

| Stock | No. of changes | Thurs. close | Day's change | Stock | No. of changes | Thurs. close | Day's change |
|---|---|---|---|---|---|---|---|
| ICI | 15 | 628 | + 8 | Cable Wireless | 11 | 288 | −12 |
| Eagle Star | 14 | 690 | + 8 | Jackson Expln | 11 | 87 | +11 |
| Charter Cons. | 12 | 217 | +10 | Royal Ins | 11 | 503 | + 3 |
| Ryl Bk of Scot | 12 | 158 | + 8 | Barclays Bank | 10 | 485 | +10 |
| Sound Diffusion | 12 | 142 | + 4 | Glaxo | 10 | 770 | −15 |
| Wearwell | 12 | 84 | + 6 | 600 Group | 10 | 62 | + 3½ |
| BP | 11 | 416 | + 2 | Hampson Inds | 9 | 20 | − 0½ |

## 5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ended Thursday

| Stock | No. of changes | Thurs. close | Change on week | Stock | No. of changes | Thurs. close | Change on week |
|---|---|---|---|---|---|---|---|
| Eagle Star | 102 | 690xd | +58 | Metal Box | 54 | 285xd | + 5 |
| RTZ | 66 | 598 | +21 | Fleet Hldgs | 53 | 116 | + 4 |
| Beecham | 65 | 320 | + 2 | ICI | 52 | 628 | +26 |
| Cons Gold Flds | 64 | 520 | +34 | Charter Cons. | 51 | 217 | − 3 |
| Glaxo | 64 | 770 | +18 | Celtic Haven | 49 | 39 | − 0½ |
| Sound Diffusion | 59 | 142 | +23 | Courtaulds | 49 | 116 | + 8 |
| GEC | 54 | 180 | − 4 | Pilkington Bros | 49 | 255 | +18 |

## RECENT ISSUES

### EQUITIES

| Issue price p | Stock | Other columns |
|---|---|---|
| ¶120 | Acorn Computer 1p | [illegible] |
| 115 | Aspinall Hldgs 10p | [illegible] |
| 33 | Brewmaker 1p | [illegible] |
| ¶435 | Brit. Petroleum | [illegible] |
| 200 | Bryson Oil & Gas 20p | [illegible] |
| ¶105 | Coin Inds 10p | [illegible] |
| §60 | DJSecurityAl'ma 10p | [illegible] |
| §75 | Edinb'gh Fd.Man 5p | [illegible] |
| 97 | Europ'n Assets DFl.1 | [illegible] |
| ‖ | FAI Insurance 50 cts | [illegible] |
| §54 | Federated Housing 5p | [illegible] |
| IR77 | Flogas 10p | [illegible] |
| 125 | FrenchConnect'n 10p | [illegible] |
| §91 | Imtec Group 10p | [illegible] |
| §45 | Laidlaw Group 10p | [illegible] |
| ¶220 | Logica 10p | [illegible] |
| ‡96 | Mebon 10p | [illegible] |
| ¶285 | Oxford Instruments 5p | [illegible] |
| §90 | Page (Michael) 5p | [illegible] |
| §85 | Peters (Michael) | [illegible] |
| §261½ | Protimeter 5p | [illegible] |
| §90 | Tay Homes | [illegible] |
| 185 | Telemetrix 5p | [illegible] |
| ¶110 | W.W. Thermax 1p | [illegible] |
| §IR84 | Woodchester Inv. IR20p | [illegible] |
| — | Witan Inv. Wrrts. | [illegible] |

### FIXED INTEREST STOCKS

| Issue price £ | Stock | Other columns |
|---|---|---|
| 99.296 | Allied-Lyons 11¾% Deb 2009 | [illegible] |
| 95.736 | Australia 11⅜% Ln. 2015 | [illegible] |
| 100 | [illegible] | [illegible] |
| ¶ ¶ | [illegible] | [illegible] |
| ¶ ¶ | [illegible] | [illegible] |
| ¶ ¶ | [illegible] | [illegible] |
| 100 | [illegible] | [illegible] |
| 99.714 | [illegible] | [illegible] |
| 97.268 | [illegible] | [illegible] |
| ¶100p | LASMO [illegible] | [illegible] |
| ‖ | [illegible] | [illegible] |
| §100 | Mid Kent Wtr. [illegible] | [illegible] |
| — | [illegible] | [illegible] |
| — | [illegible] | [illegible] |
| — | [illegible] | [illegible] |
| 100 | [illegible] | [illegible] |
| §100 | [illegible] | [illegible] |
| ¶99½ | West Kent Wtr. [illegible] | [illegible] |

## "RIGHTS" OFFERS

| Issue price p | Stock | Other columns |
|---|---|---|
| 345 | Air Call | [illegible] |
| 140 | Aitken Hume | [illegible] |
| 7 | Amal. Estates 5p | [illegible] |
| 58 | Arrow Chemicals | [illegible] |
| 25 | [illegible] | [illegible] |
| 75 | Britannia Arrow | [illegible] |
| 82 | Cartwright (R.) 10p | [illegible] |
| 62 | Charterhall 5p | [illegible] |
| *310 | F. & C. Enterprise Units 10p | [illegible] |
| 100 | [illegible] | [illegible] |
| 12 | Humberside Elect. 10p | [illegible] |
| 30 | John Leisure 10p | [illegible] |
| 120 | Manson Fin. 20p | [illegible] |
| 25 | Philicom 10p | [illegible] |
| 25 | Pineapple Dance 10p | [illegible] |
| 95 | Raine Inds. 10p | [illegible] |
| 14 | Sheldon Jones | [illegible] |
| 85 | Ward White | [illegible] |
| ‖ | Western Mining Options | [illegible] |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible] capital cover based on dividend on full capital. [illegible] yield [illegible] and yield [illegible] and yield [illegible] ‡ Cover [illegible] only for [illegible] p Pence [illegible] of ordinary [illegible] introduced [illegible] ‡‡ Introduction [illegible] (or fully-paid) [illegible] † Effective issue price [illegible] †† Dealt in under Rule 163 (2)(a) [illegible] 10 New ordinary plus 1 Series B Warrant.

# INSURANCE & OVERSEAS MANAGED FUNDS

British National Life Assurance Co. Ltd.

Canada Life Group

Cannon Assurance Ltd.

Capital Life Assurance

Chieftain Assurance Funds

City of Westminster Assurance

Clerical Medical & Gen. Life Ass. Soc.

Clerical Medical Managed Funds Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Assurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass. Ltd

Crescent Life Assurance Co. Ltd.

Crown Life

Crusader Insurance PLC

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Unit Ass. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

Lloyds Life Assurance—cont.

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd

London Life Linked Assur. Ltd.

London & Manchester Gp.

M & G Group

Manufacturers' Life Insurance Co.

Merchant Investors Assurance

Multiple Health and Life Assur. Co. Ltd.

NEL Pensions' Ltd.

National Provident Institution

New Zealand Sth. Brit. Insce. PLC

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Assc. Co. Ltd.

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Refuge Investments Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Mutual Assurance Society

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pension Limited

Windsor Life Assur. Co. Ltd.

## OFFSHORE AND OVERSEAS

Adig Investment

Albany Fund Management Limited

Andover Futures Ltd.

Arbuthnot Securities (C.I.) Ltd.

B.I.A. Bond Investments AG

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Cater Allen Investment Management (C.I.)

Charterhouse Japhet

Charterhouse Japhet Currency Mngt. Ltd.

Cornhill Ins. (Guernsey) Ltd.

Corinvest International

Craigmount Fund Mgrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Drexel Burnham Lambert

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Ermitage Management Ltd.

Eurobond Holdings N.V.

S.G. Europe Obligations S.A.

Eurolux Investments Ltd.

Executive Life (C.I.F. Managers Ltd.)

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International

Fleming Japan Fund S.A.

Frankfurt Trust Investment—GmbH

Free World Fund Ltd.

G. T. Management (U.K.) Ltd.

Gartmore Fund Managers Ldn. Agents

Gartmore Fund Managers (Far East) Ltd.

Gartmore Fund Managers (IOM) Ltd.

Assicurazioni GENERALI S.p.A.

Granville Management Limited

Grindlay Henderson Mngt Ltd.

Guinness Mahon Int. Fund (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Henderson Admin. & Man. (Guernsey)

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Investment Mgmt. Intnl.

HK Fund Managers (Jersey) Ltd.

I.C. Trust Managers Ltd.

N.V. Interbeheer

International Bond Trust

Invicta Investment Management

Jardine Fleming & Co. Ltd.

Kleinwort Benson Group

Korea International Trust

Dashsa Investment Trust Co.Ltd.

Lazard Brothers & Co. (Jersey) Ltd.

Leopold Joseph & Sons (Guernsey)

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Guernsey

Lloyds Bank International, Geneva

Louis Dreyfus Commodity Fund

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Minerals, Oils Res. Shrs. Fd. Inc.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

N.E.L. International Ltd.

Newport International Management

Normandy Trust Managers Ltd.

Northgate Unit Tst. Mgrs. (Jersey) Ltd.

Pacific Basin Fund

Perpetual UT Mngrs (Jersey) Ltd.

Phoenix International

Provident Capital International Ltd.

Putterfield Commodities

Rea Brothers (IoM) Ltd

Robeco Group

Rothschild Asset Management (C.I.)

Rothschild Australia Asset Mgt Ltd.

Royal Bank of Canada Funds

Royal Trust Intnl. Fd. Mngt. Ltd

SCI/Tech S.A.

Scimitar Kemp-Gee Mngmt., Jersey

Schroder Unit Trust Mgrs. Int. Ltd.

Securities Selection Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents

Strategic Metal Trust Mngrs. Ltd.

Stronghold Management Limited

Surinvest (Jersey) Ltd.

TSB Trust Funds (C.I.)

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Bank (IoM) Ltd.

Tyndall Group

Unico Invest Fd Mgt Co SA Lux

Vanbrugh Fund Mngmt. Intl. Ltd.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

Wardley Investment Services Ltd.

WestAm Secs. (Guernsey) Ltd.

World Wide Growth Management

Wren Commodity Management Ltd.

### NOTES

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## MINES—continued

| 1983 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| | | **Australians** | | | | | |
| 28½ | 13½ | ♥ACM 20c | 20 | ...... | — | — | — |
| 52 | 32 | Allstate Expln NL | 40 | ...... | — | — | — |
| 40 | 9 | ♥Australis Mng. NL | 27 | ...... | — | — | — |
| 25 | 11 | Balmoral Resources | 16 | ...... | — | — | — |
| 60 | 34 | ♥Black Hill Mins. | 41 | +1 | — | — | — |
| 87 | 51 | ♥Bond Corp | 86 | +1 | Q10c | ф | 7.4 |
| 183 | 116 | ♥Bougainville 1 Kina | 168 | −2 | m03.21 | 1.2 | 1.2 |
| 374 | 204 | ♥CRA 50c | 368 | −2 | t03c | — | 0.5 |
| 145 | 60 | ♥Carr Boyd 20c | 65 | +6 | — | — | — |
| 44 | 25 | ♥Central Kalgoorlie | 44 | ...... | — | — | — |
| 43 | 18 | ♥Central Pacific | 22 | ...... | — | — | — |
| 9 | 2¼ | ♥Cons Gold Mng Areas | 3¾ | ...... | — | — | — |
| 17 | 5 | ♥Coopers Res N.L. | 9 | ...... | — | — | — |
| 255 | 183 | ♥Crusader Oil | 204 | −3 | — | — | — |
| 20 | 8 | ♥Cultus Pac NL | 17 | −½ | — | — | — |
| 19 | 7 | ♥Eagle Corp 10c | 12 | −1 | — | — | — |
| 215 | 96 | ♥Emperor Mines | 208 | ...... | — | — | — |
| 14 | 8 | ♥Endeavour 20c | 11½ | −1 | — | — | — |
| 58 | 17 | ♥Enterprise Gld Mines | 31 | +1 | — | — | — |
| 810 | 500 | ♥GM Kalgoorlie 25c | 665 | −3 | hQ20c | ф | 0.9 |
| 24 | 6 | Grt. Eastern Mines | 20½ | ...... | — | — | — |
| 17 | 9 | ♥Great Victoria Gold | 11 | ...... | — | — | — |
| 32 | 15½ | ♥Haoma NW | 20 | +1 | — | — | — |
| 92 | 28 | ♥Hill Minerals N.L. | 37 | ...... | — | — | — |
| 41 | 13 | ♥Intnl Mining | 18 | ...... | — | — | — |
| 20 | 5 | ♥Ivanhoe Gld. N.L. | 10¼ | −¼ | — | — | — |
| 100 | 25 | ♥Jingellic Minerals | 43 | ...... | — | — | — |
| 42 | 15½ | ♥Kalbara Min 20c | 16 | ...... | — | — | — |
| 24 | 9 | ♥Keywest Invs. | 24 | +2 | — | — | — |
| 134 | 54 | ♥Kitchener NL 25c | 84 | +4 | — | — | — |
| 180 | 74 | ♥Meekatharra 25c | 74 | ...... | — | — | — |
| 58 | 24 | ♥Metals Ex 50c | 46 | +2 | — | — | — |
| 52 | 23 | ♥Metramar Mins 20c | 32 | ...... | — | — | — |
| 279 | 217 | ♥MIM Hldgs 50c | 234 | −11 | Q5c | 1.5 | 1.3 |
| 15 | 5 | ♥Mincorp 20c | 12 | +1 | — | — | — |
| 8 | 3 | ♥Minefields Expl 25c | 4 | +½ | — | — | — |
| 46 | 23 | ♥Newmetal 20c | 30 | ...... | — | — | — |
| *213 | 128 | ♥North B Hill 50c | 207 | +4 | Q8c | ф | 2.4 |
| 90 | 38 | Nth. Kalgurli | 69 | −½ | — | — | — |
| 86 | 58 | ♥Oakbridge 50c | 71 | ...... | Q7c | 1.5 | 6.3 |
| 57 | 23 | Otter Expln NL | 37½ | +1 | — | — | — |
| 80 | 46 | ♥Pacific Copper | 80 | ...... | — | — | — |
| 150 | 64 | ♥Pancont'l 25c | 76 | +2 | — | — | — |
| 9½ | 4 | Pan Pacific Pets NL | 7½ | −¼ | — | — | — |
| 74 | 35 | Parinqa Mng & Expln 5p | 70 | ...... | — | — | — |
| 456 | 300 | ♥Peko-Wallsend 50c | 408 | +10 | GQ5c | ф | 0.9 |
| 14 | 6 | ♥Pelsart Res NL | 12 | +½ | — | — | — |
| 298 | 172 | ♥Renison 50c | 250 | +4 | Q10c | 0.1 | 2.4 |
| 270 | 135 | ♥Do Defd | 210 | +5 | — | — | — |
| 83 | 20 | Samantha Explor NL | 45 | +1 | — | — | — |
| 52 | 27 | Samson Explor NL | 39 | ...... | — | — | — |
| 74 | 52 | ♥Seltrust 50c | 61 | ...... | — | — | — |
| 58 | 24 | ♥Sons of Gwalia N.L. | 40 | ...... | — | — | — |
| 27 | 11 | ♥Sthn. Goldfields | 16 | ...... | — | — | — |
| 19 | 7 | ♥Southern Pacific | 10½ | ...... | — | — | — |
| 14 | 6 | ♥Southern Ventures 25c | 9½ | ...... | — | — | — |
| 50 | 17 | ♥Swan Res 20c | 23 | ...... | — | — | — |
| 110 | 60 | ♥Tunax Res N.L. | 80 | ...... | — | — | — |
| 58 | 34 | ♥United Goldfields | 36 | ...... | — | — | — |
| 24 | 5 | ♥West Coast 25c | 10½ | +½ | — | — | — |
| 38 | 12½ | ♥Western Cont. 50c | 15½ | ...... | — | — | — |
| 275 | 168 | Westn. Mining 50c | 257 | −12 | Q2c | 7.6 | 0.5 |
| 200 | 53 | ♥Whim Creek 20c | 190 | ...... | — | — | — |
| 30 | 8 | ♥York Resources | 22 | ...... | — | — | — |
| | | **Tins** | | | | | |
| 245 | 175 | Ayer Hitam $M1 | 195xd | ...... | vQ65c | 1.0 | 12.4 |
| 150 | 83 | Geevor | 125 | ...... | — | — | — |
| 18 | 10 | Gold & Base 12½p | 10 | ...... | — | — | — |
| 435 | 290 | Gopeng Cons. | 375 | ...... | ф20.0 | 1.4 | 7.6 |
| 600 | 525 | Hongkong | 575 | ...... | 21.0 | ф | 5.2 |
| 21 | 13 | Jantar 12½p | 16 | ...... | 1.5 | 0.2 | 13.4 |
| 270 | 100 | Kamunting $M0.50 | 195 | ...... | hQ27½c | 0.8 | 4.0 |
| 96 | 56 | Malaysia Mng. 10c | 61 | ...... | ♦vQ11c | 0.9 | ‡ |
| 57 | 28 | ♥Pahang | 43 | ...... | — | — | — |
| 500 | 325 | Pengkalen 10p | 500 | ...... | 1.0 | — | 0.3 |
| 330 | 225 | Petaling $M1 | 290 | ...... | tvQ70c | 1.3 | 6.9 |
| 250 | 185 | Sungei Besi $M1 | 215 | ...... | ♦vQ85c | 1.1 | ‡ |
| 55 | 40 | ♥Supreme Corp M$1 | 47 | ...... | vhQ3½c | ф | 2.3 |
| 130 | 93 | Tanjong 15p | 130 | +5 | g3.5 | — | 3.8 |
| 145 | 60 | ♥Tongkah H. Tin $M1 | 117 | ...... | vQ5c | 1.6 | 1.2 |
| 300 | 190 | Tronoh $M1 | 230 | ...... | vQ90c | 1.1 | 11.1 |
| | | **Miscellaneous** | | | | | |
| 170 | 22 | Admiral Mines | 22 | −3 | — | — | — |
| 90 | 34 | ♥Anglo-Dominion | 70 | ...... | — | — | — |
| 93 | 54 | ♥Anglo Utd. Dev. | 60 | ...... | — | — | — |
| 172 | 60 | ♥Colby Res Corp. | 137 | ...... | — | — | — |
| 610 | 315 | Cons. Murch. 10c. | 590 | −20 | ‡Q60c | 1.9 | ‡ |
| 240 | 170 | Hampton Areas 10p | 213 | ...... | 3.75 | 2.1 | 2.4 |
| 215 | 103 | ♥Highwood Res | 170 | +5 | — | — | — |
| £24½ | £17½ | Homestake Mining $1 | £20⅝ | ...... | Q20c | — | 0.6 |
| 495 | 275 | Northgate C$1 | 360 | +5 | — | — | — |
| 672 | 437 | R.T.Z. | 595 | −3 | t17.0 | 2.9 | 4.1 |
| £147½ | £108 | Do.9¾%Cv.Uns.Ln.'95-2000 | £131½ | +½ | Q9½% | 32.5 | f7.5 |
| 190 | 13 | ♥Sabina Inds C$1 | 70 | ...... | — | — | — |
| 750 | 312 | ♥Tara Exptn $1 | 715 | ...... | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ф Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ф Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

## REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

| | | | | | |
|---|---|---|---|---|---|
| Albany Inv. 20p | 62 | ...... | Fin. 13% 97/02 | £97 | ...... |
| Bdg'wtr. Est. 50p | 305 | ...... | Alliance Gas | 93 | +5 |
| Craig & Rose £1 | £10½ | ...... | Arnott | 268 | ...... |
| Finlay Pkg. 5p | 42 | ...... | Carroll (P.J.) | 102 | −1 |
| Higsons Brew | 67xd | ...... | Concrete Prods. | 80 | ...... |
| Holt (Jos) 25p | 910 | ...... | Heiton (Hldgs.) | 15 | ...... |
| I.O.M. Stm. £1 | 127 | ...... | Irish Ropes | 35 | ...... |
| **IRISH** | | | Jacob | 70 | ...... |
| Exch. 12% 1985 | £99¼ | ...... | T.M.G. | 85 | ...... |
| Nat 9¾% 84/89 | £89½ | ...... | Unidare | 78 | ...... |

## OPTIONS

### 3-month Call Rates

| | | | | | |
|---|---|---|---|---|---|
| **Industrials** | | House of Fraser | 20 | Vickers | 12 |
| Allied Lyons | 19 | I.C.I. | 45 | Woolworth Hld. | 30 |
| BOC Grp. | 20 | "Imps" | 11 | | |
| B.S.R. | 20 | I.C.L. | 7 | **Property** | |
| Babcock | 15 | Ladbroke | 22 | Brit. Land | 8½ |
| Barclays Bank | 45 | Legal & Gen. | 46 | Cap. Counties | 14 |
| Beecham | 32 | Lex Service | 32 | Land Sec. | 28 |
| Blue Circle | 45 | Lloyds Bank | 48 | MEPC | 20 |
| Boots | 16 | "Lofs" | 4 | Peachey | 16 |
| Bowaters | 22 | London Brick | 10 | Samuel Props. | 11 |
| Brit. Aerospace | 19 | Lucas Inds. | 15 | Sterling Gutr. | 4 |
| B.A.T. | 14 | "Mams" | 14 | | |
| Brown (J.) | 3½ | Mrks. & Spncr | 20 | **Oils** | |
| Burton Ord. | 35 | Midland Bank | 40 | Brit. Petroleum | 38 |
| Cadburys | 11 | N.E.I. | 10 | Burmah Oil | 17 |
| Courtaulds | 10 | Nat. West. Bank | 55 | Charterhall | 9 |
| Debenhams | 14 | P & O Dfd. | 21 | KCA | 6 |
| Distillers | 28 | Plessey | 19 | Premier | 6 |
| Dunlop | 6 | Racal Elect. | 20 | Shell | 55 |
| Eagle Star | 45 | R.H.M. | 7 | Tricentrol | 22 |
| F.N.F.C. | 5½ | Rank Org. Ord. | 20 | Ultramar | 65 |
| Gen. Accident | 42 | Reed Intnl. | 32 | | |
| Gen. Electric | 18 | Sears | 5 | **Mines** | |
| Glaxo | 75 | T.I. | 13 | Charter Cons. | 28 |
| Grand Met. | 38 | Tesco | 17 | Cons. Gold | 58 |
| G.U.S. 'A' | 50 | Thorn EMI | 55 | Lonrho | 9 |
| Guardian | 45 | Trusthouse | 16 | Rio T. Zinc | 62 |
| G.K.N. | 16 | Turner & Newall. | 7 | | |
| Hawker Sidd | 28 | Unilever | 78 | | |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

# FINANCIAL TIMES

Saturday December 3 1983



MAN IN THE NEWS

# NGA's double act

BY PHILIP BASSETT

SHREWDLY media-conscious, Stockport Messenger chairman Mr Eddie Shah has dominated the dispute with the National Graphical Association this week. Stung by his media ubiquity, the normally-private NGA has been forced to present a higher public profile.

Most brutally, that has been in the form of the 4,500 pickets massed outside the Messenger's Warrington plant. More usefully for the NGA, it has taken the form of the quiet determination of Mr Joe Wade, the union's general secretary, and Mr Tony Dubbins, his elected heir.

Publicly, since the departure of that tough old fox, the late Mr Les Dixon, and his replacement as president by a manifestly weaker man, the NGA has sometimes seemed directionless. Privately, however, the double act of Wade and Dubbins has been gaining strength.

Their relationship was demonstrated most effectively at this week's meeting between the

Joe Wade and his elected heir, Tony Dubbins

union and the TUC's influential employment policy committee.

Dubbins gave what was widely regarded as a very clear and lucid presentation of the union's case—"extraordinarily impressive," said one committee member.

Wade's and Dubbins's success has been to win round, albeit to a qualified extent, other unions' support for a union whose craft elitism and the often high wages it brings engender a mixture of envy and repugnance among other union leaders whose members are less well protected. This is tempered only by their simple, awed respect for the NGA's profound industrial toughness.

Dubbins's increasing control of NGA affairs—he has been responsible for industrial issues, for provincial papers' new technology moves, and for amalgamations with other unions—has been reflected in his shouldering most of the burden of the Messenger dispute.

From being only seven years ago an NGA Thames Valley branch secretary, 39-year-old Dubbins is transforming himself to fit the new mould of TUC young Turks.

Wade, though 64 this month, is not yet outpaced. General Secretary since 1976, it was he who last year gave newspaper employers hope when, in a crucial conference speech, he urged the union to become more flexible in its attitude towards new printing technology.

However, the two men combine best together in the strength of their defence of the closed shop.

Dubbins puts it cogently: "Most NGA members have never contemplated the question of whether or not to be a member of a trade union. The vast majority of us came into the union at the age of 16 or when we started our apprenticeship. We naturally considered that we would remain members of the union until we retired from the industry.

"To us a closed shop is as natural as getting up in the morning and having breakfast. However, the closed shop is the essential basis of our industrial strength."

Both are only too aware of the scale of the contradiction now facing the NGA, sharply focused by the Warrington mass pickets' manifest failure to achieve their end. To give up now would be a major defeat for the NGA and the wider trade union movement—yet to go on is increasingly to jeopardise the whole future of the union.

As Dubbins says: "I don't know how much further we can go. The bloody union has been taken away from us. It's now in the hands of a renegade employer.

"But the membership of the NGA will not be prepared to stand idly by and see their union destroyed by this man. We really have no choice but to go on."

# Swiss plan £947m orders for telephone exchanges

BY GUY DE JONQUIERES

THE Swiss Post Office plans to place orders totalling SwFr 3bn (£947m) over the next 10 years for digital public telephone exchanges developed by L. M. Ericsson of Sweden, ITT of the U.S. and Siemens of West Germany.

The exchanges, most of which will be made in Switzerland, will form the backbone of the country's programme to modernise its telecommunications system and will operate as part of the same network.

The ITT System 12 and Siemens EWS-D exchanges will be adapted and produced by the companies' Swiss subsidiaries — Standard Telephone und Radio and Siemens-Albis respectively. Hasler Holding, an independent Swiss company, will make Ericsson's AXE exchange under licence.

The Post Office had planned to select only two exchange systems but decided to use three after the manufacturers could not agree to drop one.

Orders will initially be allocated between the three suppliers in line with their traditional shares of the Swiss market, but will be progressively opened to competitive bidding.

In the past, almost half the Post Office's exchange orders have been placed with Hasler and the rest divided about equally between the ITT and Siemens subsidiaries.

Canada's Northern Telecom was the only other bidder. The Post Office said it was not chosen because its DMS exchange had not been designed originally for use in Europe and might have needed more modification than the other systems.

Switzerland announced earlier this year that it was abandoning plans to develop its own digital telephone exchange after spending more than SwFr 200m on the project, which had begun in the early 1970s.

The Post Office said it expected the three manufacturers to try to export equipment as well as supplying the Swiss market. It plans to place its firm orders for the first exchanges by early next year and to have them installed by late 1985.

# Government to encourage private bus operators in London

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE GOVERNMENT intends to encourage private bus operators to set up in London as part of its overall plant to make public transport in the capital more efficient, and to remove it from the control of Greater London Council, which is itself due to be abolished.

Under the provisions of the London Regional Transport Bill published yesterday a new holding company known as LRT, London Regional Transport, will be expected to reach agreement with private operators which can run existing services more cheaply than London Transport buses.

This class of operator will be eligible for subsidies in the same way as London Transport is now and will continue to be.

Where private operators reach no agreement with LRT they can apply to the Traffic Commissioners for a licence to operate in competition with LRT.

At present LT is the licensing authority for private bus operations, though there is provision for an appeal to the Transport Secretary if LT refuses a licence.

These operations will be expected to run as purely commercial services.

Mr Nicholas Ridley, the Transport Secretary, said yesterday that it was time LT was given over to the "professionals" and taken away from the political control of the GLC.

The Government intended to maintain fares at about the present level, allowing for inflation. There was likely to be a small reduction in bus services. He did not expect services overall to suffer.

The 1983-84 subsidy to LT is £370m, paid by the GLC and the Government through various local government finance mechanisms.

Ratepayers in Greater London will pay up to two-thirds of the financial support for LRT when provisions to this come into force in 1985-86.

The rate will be levied on local authorities, the amount in the pound the subject of an annual order.

Mr Ridley said ratepayers were contributing about 80 per cent of the costs of LT at present.

The GLC disputes this figure. The Government intends the Bill to become law by the middle of next year.

Mr Ken Livingstone, the GLC Leader, said that the change would lead to higher fares, reduced services and uncertainty over concessionary fares for the elderly and disabled.

This outcome, and the Government's power to precept rates on borough councils to subsidise London's transport, was "the worst possible combination of policies for Londoners."

The London Boroughs Association also criticised the financial arrangements.

Mr Simon Randall, a London Borough of Bromley councillor and chairman of the association's committee which deals with transport, warned: "The contribution of up to two-thirds of the Secretary of State's expenditure would be entirely arbitrary.

"It would mean that London ratepayers could be asked to pay a large part of the bill for services over which they would appear to have no control."

Bromley Council brought the court case two years ago which forced scrapping of the GLC's cheap fares policy.

**Changing the face of London's transport, Page 4**

Continued from Page 1

## Gulf HQ

from Gulf, and that is what I have been getting," one said.

There were sour notes. One man questioned reports that Gulf had hired five detectives to snoop on Mr Pickens. Others queried Gulf's low return on capital and poor oil discovery record.

If all Gulf had to do was win the support of yesterday's meeting, Mr Lee and his team would be home and dry. Many big institutional shareholders did not attend, however, and the result of the proxy battle will not be known for several weeks.

Gulf has to win 51 per cent of the 165.3m shares in issue. And it is clear that several big institutional shareholders have either voted against Gulf or abstained.

All Mr Lee would say yesterday was that he was "very encouraged by the votes that we have received."

# Polly Peck lifts profits to £24.7m for year

BY CHARLES BATCHELOR

POLLY PECK (HOLDINGS), the fast-growing trading and industrial group headed by Turkish Cypriot businessman Mr Asil Nadir, yesterday announced more than doubled profits of £24.7m for the year to September 3.

This was within a whisker of the £25m forecast by Polly Peck's brokers, L. Messel. But the share price still fell £1½ to £24.

Earnings per share rose from 146.3p to 283.3p in the year while turnover was 160 per cent higher at £62.2m. The profit figure was 135 per cent up on the £10.5m recorded in 1982.

The group proposes paying a final dividend of 19p, taking the total to 28p against 15.3p last time.

Polly Peck has announced plans to expand over the past year from its packaging and fruit-packing base into pharmaceuticals, mineral water bottling and consumer electronics. It is also concentrating increasingly on expansion in Turkey to serve Middle East markets.

Mr Nadir said: "We want to expand our product range in Turkey through co-operation agreements with Metal Box in packaging and our earlier agreement with Thorn-EMI for televisions.

"The Middle East imports 1m television sets a year while there is a $7bn market for pharmaceuticals. We intend to be in those markets through our plants in Turkey and northern Cyprus."

Polly Peck expects to open a mineral water bottling plant in Turkey in January. It says it has already pre-sold one year's production to the Middle East.

**Details, Page 20**

Continued from Page 1

## NGA–Shah

unionism and the rule of law," he said. "The important thing now is that talks should get under way."

Mr King's statement underscores the Government's desire for a negotiated settlement. The Government hopes that a weekend of reflection will allow Monday's talks to start on a less hostile footing than has been evident in the past week.

A meeting of Fleet Street chapel fathers (shop stewards) yesterday issued a statement expressing "unqualified support to the NGA in their dispute with Messenger Group Newspapers." The stewards also met before the national newspapers stoppage last weekend.

An emergency meeting of the TUC general council yesterday was a brief, 20-minute affair because of the much-welcomed agreement to talk. Mr Len Murray, the TUC general secretary, said the TUC could do a lot to help the NGA but emphasised that the assistance would be within the law.

"The purpose of the general council is to ensure that the TUC can go on operating and providing services to its affiliates—so that the help we are offering to the NGA will be based on that," he said.

A special meeting of the employment, policy and organisation committee, held before the general council meeting, also agreed to provide financial assistance to the National Union of Journalists and the Post Office Engineering Union, both of which had applied for help to pay legal fees.

The NUJ has refused to obey an injunction against the strike of 13 members at Dimbleby Newspapers in Richmond, London.

Mr David Dimbleby, the broadcaster and chairman of the group, is considering whether to press his case with a further writ, which would lay the union open to fines and possible sequestration of funds.

The NUJ's legal costs so far amount to some £8,000. It is considering taking the case to the House of Lords.

The POEU's legal costs in cases it fought against an injunction by the independent communications company Mercury to stop secondary "blacking" are unknown. The Mercury case will go to full trial early next year.

Mr Murray was critical of the Government for refusing to intervene in disputes which he said were the consequence of legislation they had introduced.

"We have seen no move from the Government," he said. "I would have thought that a Government which accepts its responsibilities would have been involved."

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| | | |
|---|---|---|
| **RISES** | | |
| AB Electronic | 920 | + 85 |
| Aitken Hume | 152 | + 7 |
| BOC | 242 | + 6 |
| Barclays Bank | 495 | + 10 |
| Bridon | 65 | + 6 |
| Canvermoor | 114 | + 11 |
| Eagle Star | 698 | + 8 |
| Eurotherm Intl. | 230 | + 10 |
| Horizon Travel | 145 | + 15 |
| ICI | 650 | + 22 |
| MEPC | 269 | + 8 |
| Royal Insurance | 518 | + 15 |
| Siebe Gorman | 362 | + 12 |
| Bula Resources | 35 | + 6 |
| Pict Petroleum | 87 | + 5 |
| Carr Boyd | 85 | + 6 |
| Durban Deep | £18¼ | + 1½ |
| Randfontein Ests. | £91⅞ | + 2⅛ |
| Rand London Corp. | 25 | + 5 |
| Vaal Reefs | £74¼ | + 2 |
| **FALLS** | | |
| Atlantic Computers | 425 | − 22 |
| Brengreen | 80 | − 8½ |
| Cable & Wireless | 270 | − 18 |
| Copydex | 136 | − 9 |
| Feedback | 250 | − 12 |
| Meggitt | 97 | − 5 |
| Pilkington Bros. | 250 | − 5 |
| Shaw Carpets | 41½ | − 3½ |
| Trafalgar House | 202 | − 6 |
| Western Mining | 257 | − 12 |

## WORLDWIDE WEATHER

| | | Y'day midday °C | °F | | | Y'day midday °C | °F | | | midday °C Y'day | °F | | | midday °C Y'day | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | S | 10 | 50 | Madrid | Fg | 8 | 46 | Dallas | C | 9 | 48 | Peking | S | 13 | 55 |
| Algiers | F | 17 | 63 | Majarca | F | 16 | 61 | Dublin | S | 11 | 52 | Perth | | — | — |
| Amsdm. | S | 0 | 32 | Majorca | F | 16 | 61 | Dbrvnk. | F | 3 | 27 | Prague | S | −3 | 27 |
| Athens | C | 18 | 64 | Malaga | C | 17 | 63 | Ednbgh. | C | 9 | 48 | Rykjvk. | R | 7 | 45 |
| Bahrain | S | 24 | 75 | Malta | F | 11 | 52 | Faro | C | 19 | 66 | Rhodes | F | 17 | 63 |
| Barclna | F | 13 | 55 | M'chstr. | S | 7 | 45 | Florence | F | 4 | 39 | Rio J'o† | | — | — |
| Beirut | S | 22 | 72 | Melbne. | | — | — | Frankft. | S | −1 | 30 | Rome | S | 6 | 43 |
| Belfast | S | 10 | 50 | Mex.C.† | | — | — | Geneva | S | 1 | 34 | Salzbrg. | C | −4 | 25 |
| Belgrd. | S | −3 | 27 | Miami† | S | 23 | 73 | Gibrltr. | | — | — | S'cisco† | F | 12 | 54 |
| Berlin | S | −2 | 28 | Milan | S | 4 | 39 | Gl'sg'w | C | 11 | 52 | Singapr. | F | 26 | 79 |
| Biarritz | S | 9 | 48 | Montrl.† | Sn | −1 | 30 | G'nsey | S | 7 | 45 | S'tigo† | | — | — |
| Bmghm. | S | 5 | 41 | Moscow | F | −9 | 16 | Helsinki | Sn | −1 | 30 | Stckhm. | Sn | −3 | 27 |
| Blackpl. | S | 5 | 41 | Munich | S | −4 | 25 | H. Kong | S | 21 | 70 | Strasbg. | S | 1 | 34 |
| Bombay | S | 30 | 86 | Nairobi | F | 26 | 79 | Innsbrk. | S | −6 | 21 | Sydney | | — | — |
| Bordx. | S | 7 | 45 | Naples | S | 7 | 45 | Invrnss. | C | 12 | 54 | Tangier | S | 20 | 68 |
| Boulgn. | S | 2 | 36 | Nassau | | — | — | I.o.Man | C | 11 | 52 | Tel Aviv | S | 24 | 75 |
| Bristol | S | 8 | 46 | Nwcstl. | S | 4 | 39 | Istanbul | R | 8 | 46 | Tenerife | F | 22 | 72 |
| Brussels | S | 1 | 34 | N. Delhi | | — | — | Jersey | S | 7 | 45 | Tokyo | S | 14 | 57 |
| Budpst. | S | −3 | 27 | N. York † | S | 1 | 34 | Jo'burg | F | 26 | 79 | T'r'nto† | C | −4 | 25 |
| Cairo | S | 24 | 75 | Nice | F | 11 | 52 | L.Plms. | S | 22 | 72 | Tunis | C | 9 | 48 |
| Cardiff | S | 8 | 46 | Nicosia | S | 20 | 68 | Lisbon | C | 13 | 55 | Valencia | S | 15 | 59 |
| Cape T. | F | 21 | 70 | Oporto | S | 17 | 63 | Locarno | S | 5 | 41 | Venice | S | 5 | 41 |
| Chicg.† | C | −3 | 27 | Oslo | S | 4 | 31 | London | S | 7 | 45 | Vienna | S | −3 | 27 |
| Cologne | S | 1 | 34 | Paris | S | 1 | 34 | L.Ang † | F | 12 | 54 | Warsaw | S | −7 | 19 |
| Cpnhgn. | C | 1 | 34 | Corfu | T | 11 | 52 | Luxmbg. | S | −2 | 28 | Zurich | S | −1 | 30 |
| Madeira | C | 19 | 66 | | | | | | | | | | | | |

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

# Last minute hitch in bid for Tecalemit

By Ray Maughan

SIEBE GORMAN, the protective clothing manufacturer, was alleged yesterday to have breached the City Code and jeopardised its £18.3m bid for Tecalemit, the garage equipment group.

The offer, due to close yesterday afternoon, was bitterly contested by Tecalemit from the outset in mid-September and a close result had been expected but according to Kleinwort Benson, the merchant bank acting for Tecalemit, the Takeover Panel ruled yesterday that Siebe had broken the City Code by promising to raise its final dividend for the year to March, 1984. The Tecalemit share price was suspended at 50p.

Siebe's forecast was made on Thursday when it promised to lift dividends payable this year to accepting Tecalemit shareholders by a further 11 per cent from the original prediction.

## Retracting

But a promise of a dividend rise, according to Kleinwort Benson, constitutes an improvement in the general offer. Last night Siebe said it was retracting its forecast at the request of the Takeover Panel. The panel, Kleinwort Benson said, had reminded Siebe that the terms of any bid could be lifted once it had been running for 46 days or more.

The maximum duration of an offer is 60 days, which means that the cut-off point for launching any higher bid is usually a fortnight before the close.

The panel was locked last night in talks with the financial advisers to both sides, Kleinwort Benson and S. G. Warburg, advising Siebe, and it is not expected that the outcome will be decided before next week.

Kleinwort Benson claims that Siebe's action was a clear breach of the rules by which the City governs its affairs. The merchant bank said it was open to the panel to require Siebe to set its bid aside if it were shown that the revised dividend forecast influenced the course of the deal.

It plainly affected Siebe's own share price, which climbed 12p yesterday to 362p and, because it was offering three of its own shares for every 20 Tecalemit stock units, the value of the terms went up to just over 54p per stock unit.

## Amended

The bid had already been amended last month, within the terms of the City Code, when Siebe responded to a low response to its original equity offer, coupled with a shares plus cash alternative, by lifting the straight share exchange element and underwriting a pure cash alternative of 990p for every 20 Tecalemit stock units, worth 49½p per unit.

Siebe has acquired more than 24 per cent of Tecalemit's equity in the stock market but has not disclosed its level of acceptances since the middle of November, when it had received just under 7 per cent.

The final count had not been completed last night and Kleinwort Benson contended that the result was immaterial unless it can be somehow demonstrated that Siebe would have won control without recourse to the improved dividend forecast.

THE LEX COLUMN

# Short circuit on Cable tender

Considering the success of the Government's initial offering of Cable and Wireless, it seems extraordinary that this week's secondary market issue—in corporate finance terms a much more straightforward exercise—should have been a conspicuous failure. In the Government's privatisation ledger, it will not stand quite so far down the flops column as Britoil but, with British Telecom on the horizon, even a 30 per cent undersubscription must be extremely disappointing to the Treasury.

The outcome is an obvious reverse for the tender mechanism, which the Government has recently seen as offering the best of all worlds—a downside risk limited to the underwriting fee, the prospect of wider share ownership and the possibility of an unexpected windfall. Yet, if any offer has underlined the levered effect of the tender, it is this week's Cable and Wireless offering.

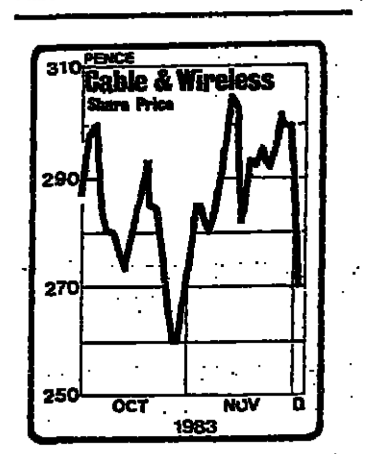
In contrast to Britoil, the issue was not thwarted by a general movement in the market or a particular price influence. The institutions, simply decided that, in the absence of significant private demand, they could pick up shares more cheaply as underwriters than as investors. Given another 24 hours, the underwriters might have been left holding almost the whole issue.

It may be legitimate to complain about the institutions trying to enrich themselves twice over but the Government must be blamed for leaving the door wide open to them. In the absence of political motives, a fixed price offer or a placing would have been a far more satisfactory method of conducting a secondary offering. Either route would have provided the Treasury with net proceeds roughly equivalent to what it will receive through the tender, without leaving egg on anyone's face.

The private investor has now been left out in the cold in any case, discouraged no doubt by the small discount to the market of the minimum tender price and the BP precedent, where the Government struck its price at an ambitiously high level.

Cable and Wireless itself was washing its hands of the affair yesterday. That is disingenuous in the extreme. Since the flotation, the company has failed to develop much understanding in the City — hence the sharp price movements on the appearance of its figures and the narrow share ownership. Meanwhile, for the company's finance director to attend a stockbroking lunch on Thursday was, to put it no more strongly, naive.

**Index rose 0.2 to 741.3**




## Markets

Christmas parties began to break out in the City this week and the stock market made a festive contribution by pushing the FT 30-share index to a new peak of 746.7 on Tuesday. But the early start to the holiday season has not stopped shares trading heavily this week.

Enough new money has been coming into the market to suggest that the institutions have been not at all abashed by sterling's latest bout of weakness against the dollar. Against the continental currencies, though, it still looks robust enough and a little kicker on the currency front may have helped to keep the U.S. buyers coming over in their droves.

Concern in the next few days over crude oil prices and Opec will not help sterling but could give equities another boost. In the meantime, good results from erstwhile sleeping giants like Courtaulds and Allied-Lyons have given the recovery story a new breath of life.

## Chloride

Chloride's convalescence is a painfully slow process. Trading margins in the six months to September have been widened by over 1½ percentage points but, at 5.6 per cent, they are still too weak to cover what remains a very high interest charge, the continuing cost of rationalisation and an overseas tax charge. So, although an interim pre-tax profit—of £3.1m—has been reported for the first time since 1979, shareholders' funds are still being whittled away.

There is no doubting the determination with which Chloride has attacked its cost base during the later stages of the recession but, in the eyes of the market, the group's consistent reference to poor demand must by now be wearing a bit thin. Chloride has made great play of the merits of its torque starter battery, which has now been launched in all its principal markets, while UK demand for traditional original equipment during the summer months must have been fairly buoyant. Unless the company can soon point to a significant growth in volume, the long hoped for cyclical recovery will appear an empty hope. The shares were unchanged yesterday at 27p, valuing the whole group at £34m.

## Polly Peck

With so much riding on Polly Peck's achievements in the year to September, it was disappointing of the company to produce a preliminary profit and loss account yesterday which runs from top to bottom in seven lines flat. A properly informed annual report was simultaneously being billed as a forthcoming attraction; but with this apparently only days away, it seems almost perverse to have omitted even the interest paid item from yesterday's feature.

The figures on show, however, do include pre-tax profits of £24.7m, up from £10.5m on a 160 per cent jump in turnover to £62.2m. The annual report will apparently give some indication of the geographical breakdown of Polly Peck's operations. The threat of an EEC ban on Turkish Cypriot fruit exports seems to have waned this week and may never have been too serious in the first place; but details of the exposure to Cyprus's problems could still be reassuring if they underlined Polly Peck's much vaunted ability to relocate some of its manufacturing and export sales.

Enticing snippets of information about the 1983-84 prospects are already available: over 50m bottles of mineral water have apparently been sold in the Middle East and orders for the planned TV/VCR operation in Turkey are said to be racing ahead. But more than snippets are required by the market for the year just ended and the shares closed down £1¼ at £24, capitalising the group at £175m.